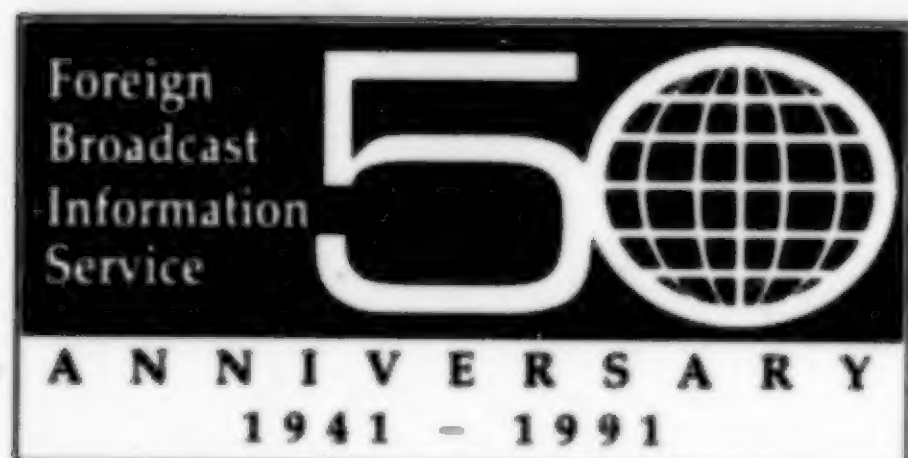




Daily Report

East Asia

FBIS-EAS-91-123
Wednesday
26 June 1991

Daily Report

East Asia

FBIS-EAS-91-123

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Cambodian SNC Meeting Continues

Council Meets in Phatthaya on 25 Jun

*BK2506135091 Bangkok Army Television
Channel 5 in Thai 1230 GMT 25 Jun 91*

[Text] The Supreme National Council [SNC] met for the second day in Phatthaya today, beginning at 1000. The Khmer Rouge faction of Khieu Samphan did not attend the morning session. Hun Sen issued a statement before the meeting refuting the report that he had rejected the UN peace plan. The statement noted that there were parts of the peace plan unacceptable to Hun Sen and that there would be further statement on the matter.

At about 1230, Prince Norodom Sihanouk, who chaired the meeting, presented an official statement noting that the two major issues in the morning session were the establishment of the SNC headquarters, which Hun Sen wanted to have located in Phnom Penh while the Khmer Rouge preferred having it in a liberated zone, or in Pailin. The second major issue concerned the implementation of the UN peace plan. The Khmer Rouge wanted the plan implemented completely and immediately, while the Hun Sen's faction wanted the UN Security Council to adopt Prince Sihanouk's proposal calling for a step-by-step implementation. Prince Sihanouk also explained that the Khmer Rouge did not attend the morning session because they wanted to discuss the peace plan among themselves.

At 1430, Khmer Rouge leader Khieu Samphan called on Prince Sihanouk for about one hour but refused to answer newsmen's questions afterward.

The meeting resumed at 1630 with Khieu Samphan in attendance. Prince Sihanouk invited a monk who had traveled from a temple in Paris to bless the meeting. The SNC meeting reportedly will conclude tomorrow at about 1200, to be followed by a news conference by the 12 SNC members.

Sihanouk Gives News Conference 25 Jun

*BK2606020191 Bangkok THE NATION in English
26 Jun 91 pp A1, A2*

[Text] Phatthaya—The Cambodian Supreme National Council (SNC) agreed yesterday to base its headquarters in Phnom Penh after resistance to the idea by representatives of the Khmer Rouge guerrillas.

However, there was no substantive progress at the second day of the SNC meeting here on the difficult issues of the peace plan drawn up by permanent members of the UN Security Council or that of UN verification of a ceasefire and cessation of external military aid agreed to by the SNC on Monday.

But the supreme council, which comprises representatives of all four Cambodian factions, was able to reach agreement on basing its headquarters in Phnom Penh, after deciding against an earlier proposal by the Khmer

Rouge to hold SNC meetings alternately in Phnom Penh and at a site in resistance-controlled territory.

The agreement calls for all four factions to have embassy-style representations to the SNC based in Phnom Penh, for which they would provide their own security, according to Prince Norodom Sihanouk, the nominal leader of the Cambodian resistance.

At a press conference last night, Sihanouk said the council also agreed that there would have to be representations to the SNC from France and Indonesia, the co-chairmen of the international conference on Cambodia, the special envoy of the UN secretary general, the five permanent members of the UN Security Council, and the members of ASEAN.

The morning session of yesterday's meeting was called off as Khmer Rouge leader Khieu Samphan wanted to consult other leaders of the communist guerrillas on the Thai-Cambodian border about the proposal to site the SNC in Phnom Penh.

If the council headquarters is situated in Phnom Penh, it would be the first time the Khmer Rouge would be represented there since they were driven out of power by Vietnamese forces in 1978.

Pending the establishment of the SNC headquarters, the council agreed to hold its next meeting in Bangkok.

Sihanouk said last night he would go to Phnom Penh, probably in August, following a visit by Phnom Penh government Prime Minister Hun Sen to his residence in Pyongyang.

"I will have to go to Phnom Penh as soon as possible ... as the de facto chairman of the SNC", he said, adding that he would also have to wait for the preparation of the royal palace in the Cambodian capital, where he will be staying.

Sihanouk stressed that though the SNC would represent Cambodia, the present resistance coalition and Phnom Penh governments would continue to function and that other countries could continue present diplomatic relations with either side as they wished.

On the question of UN verification of the ceasefire, Sihanouk, speaking after the adjournment of the evening meeting of the SNC, said the matter was "very complicated" and that the council would continue to discuss an "intra-Cambodian" solution until they resolved their differences on the issue.

He said that under this proposal, a bilateral monitoring team would be set up with equal representation from the resistance and Phnom Penh, possibly supplemented by members from France and Indonesia.

The Phnom Penh government earlier had rejected any UN monitoring of a ceasefire.

Sihanouk went on to say that special envoy of the UN secretary general Rafiuddin Ahmed had suggested that the prince write a letter to the secretary general requesting an observer team to work with the armies of the four Cambodian factions to study how the United Nations could help monitor the ceasefire.

The SNC will discuss verification at the next meeting, the prince said.

Earlier yesterday, Prince Sihanouk said Hun Sen wanted the United Nations to support Sihanouk's initiative for step-by-step implementation of the UN peace plan, given the reality inside Cambodia.

"He said my plan was very good and 'very Cambodian', (and) he wants everybody to adopt it," Sihanouk quoted Hun Sen as saying when they met privately yesterday morning.

SNC Issues Statement on Headquarters

BK2606113591 Phnom Penh SPK in English 1108 GMT 26 Jun 91

[Text] Phnom Penh SPK June 26—Following is the full text of the statement of the SNC meeting after the second day of its afternoon session.

The Supreme National Council of Cambodia met in Phatthaya (Thailand) in the afternoon of 25th June 1991, under the very high chairmanship of HRH [His Royal Highness] Samdech Norodom Sihanouk and unanimously adopted the following points:

1 - To set up the SNC headquarters in Phnom Penh, with the following facilities and guarantees:

- Members of the SNC from each party have their own residence protected by that party's forces. The forces of members of the SNC ensure the security within the compound of their residence, while the forces of the host party ensure the security outside the compound.

- The representatives of the two cochairmen of the Paris International Conference on Cambodia (PICC) have their permanent mission accredited to the SNC.

- The special representative of the UN Secretary General or his representative has his own permanent mission to the SNC.

- The representatives of countries participating in the PICC or the representatives of the perm five [five permanent members of the UN Security Council] as well as the representatives of the ASEAN countries have their permanent missions accredited to the SNC.

- Pending the setting up of the SNC headquarters in Phnom Penh, to hold the next meeting of the SNC at the former embassy of Cambodia in Bangkok (Thailand).

Statement Issued Before Final Communiqué

BK2606113991 Phnom Penh SPK in English 1115 GMT 26 Jun 91

[Text] Phatthaya SPK June 26—Following is the statement of the SNC [Supreme National Council] adopted before the final communiqué in this morning session. The Supreme National Council of Cambodia, at its meeting on the 26th June 1991, under the very high chairmanship of H.R.H. [His Royal Highness] Samdech Norodom Sihanouk, unanimously adopted the following:

1 - To request H.R.H. Samdech Norodom Sihanouk to write to the UN secretary general to inform him of the flag and anthem of the SNC of Cambodia.

2 - To set up working groups to study the following items:

- rules of procedure of the SNC;
- electoral laws;
- principles of the new constitution of Cambodia.

SNC Phatthaya Meeting Issues Communiqué

BK2606123191 Phnom Penh SPK in English 1130 GMT 26 Jun 91

[Text] Phatthaya SPK June 26—The SNC meeting issued this morning the following communiqué:

1. The Supreme National Council (SNC) of Cambodia held a meeting in Phatthaya (Thailand) from 24 to 26 June 1991, under the very high chairmanship of HRH [His Royal Highness] Samdech Norodom Sihanouk, with the participation of the representatives of the two cochairmen of the PICC [Paris International Conference on Cambodia] and the special representative of the UN secretary general, and has come to unanimous agreements as set out in successive SNC communiqués already issued. These agreements are as follows:

1- To grant to HRH Samdech Norodom Sihanouk the task of convoking the SNC of Cambodia and presiding over its future meetings.

2- To adopt the flag and anthem of the SNC of Cambodia as mentioned in the proposal of HRH Samdech Norodom Sihanouk dated June 22, 1991. The flags and anthems of the different parties are maintained until the general elections.

3- To implement the unlimited cease-fire and to undertake to stop receiving foreign military aids as from the 24th June 1991. The modalities of control of the United Nations will be examined during the course of further sessions of the SNC.

4- To send a delegation of the SNC headed by HRH Samdech Norodom Sihanouk to the next session of the UN General Assembly.

5- To request HRH Samdech Norodom Sihanouk to write on behalf of the SNC:

A- To the United Nations secretary general requesting the inclusion of the Angkor complex in the UNESCO world heritage list.

B- To the executive agent of the Mekong Committee requesting the resumption of membership of Cambodia to the Mekong Committee.

C- To the World Bank and the International Monetary Fund for the sending of a SNC delegation to attend the next meeting of the World Bank and IMF in Bangkok (Thailand).

D- To the UN secretary general asking for humanitarian assistances and for the vocational training of Cambodians.

6- To set up a SNC Secretariat.

7- To set up the headquarters of the SNC in Phnom Penh with the following facilities and guarantees :

- Members of the SNC from each party have their own residence protected by that party's forces. The forces of members of the SNC ensure the security within the compound of their residence while the forces of the host party ensure the security outside the compound.

- The representatives of the two cochairmen of the Paris International Conference on Cambodia (PICC) have their permanent missions accredited to the SNC.

- The special representative of the UN secretary general or his representative has his own permanent mission to the SNC.

- The representatives of countries participating in the PICC or the representatives of the Perm Five [five permanent members of the UN Security Council] as well as the representatives of the ASEAN countries have their permanent missions accredited to the SNC.

8- Pending the setting up of the SNC headquarters in Phnom Penh, to hold the next meeting of the SNC at the former embassy of Cambodia in Bangkok (Thailand).

9- To request HRH Samdech Norodom Sihanouk to write to the UN secretary general to inform him of the flag and anthem of the SNC of Cambodia.

10- To set up working groups to study the following items :

- rules of of procedures of the SNC

- electoral laws

- principles of the new constitution of Cambodia.

II. This achievement of outstanding significance cannot be reached without the wisdom, tact and moral influence that HRH Samdech Norodom Sihanouk has once again conspicuously displayed during the deliberations of the SNC meeting, and without his peace plan of June 22, 1991. This fact clearly and unquestionably confirms the spirit of national reconciliation among all Cambodians within the framework of an independent, neutral and sovereign Cambodia.

III. The remaining issues will be discussed in the next meetings of the SNC.

IV. The SNC wishes to take this propitious opportunity to express its warmest gratitude to His Majesty the King and Her Majesty the Queen of the Kingdom of Thailand, H.E. [His Excellency] Mr. Anan Panyarachun, prime minister of the Royal Thai Government and all other Thai officials without whose generous assistance and hospitality this SNC meeting could not have been crowned with this success. The Cambodian nation and people remain profoundly indebted to the Kingdom of Thailand for her generosity, compassion and tremendous efforts she has made for the Cambodian national cause.

V. The SNC also expresses its gratitude to all friendly countries and governments the world over who have unfailingly contributed to the search for the settlement of the Cambodia conflict over the last 15 years. The results achieved at this current meeting of the SNC cannot be separated from their long and persistent endeavours.

The SNC also addresses its gratitude to the two cochairmen of the PICC and the UN secretary general as well as to their representatives for their cooperation.

The SNC expresses its gratitude to the five permanent members of the UN Security Council for all the efforts and initiatives and to all countries participating in the PICC for their continuing concern over the plight of the Cambodian nation and people.

UN Envoy Remarks on 'Unsettled Issues'

*BK2606015791 Bangkok THE NATION
in English 26 Jun 91 p A4*

[Text] Phatthaya—Phnom Penh Prime Minister Hun Sen yesterday denied that his faction has rejected the UN peace plan for his country, but said that questions remained to be solved on the draft agreement.

However, Rafiuddin Ahmed, a special UN envoy who is observing the meeting of the Supreme National Council here, said those unsettled issues constitute "the most crucial elements" in the effort to bring a lasting peace to Cambodia.

"We have already accepted the August 28, 1990 (UN) framework document in Jakarta on Sept 10, 1990," Hun Sen announced for the first time in a written statement.

But "as regards to the draft agreements of November last, there was concurrence on most of the fundamental points. The remaining questions will be further discussed" among Cambodia's Supreme National Council and the coordinating committee of the Paris international conference on Cambodia, said the statement.

Hun Sen's statements came a day after former monarch Prince Norodom Sihanouk's comments that Phnom Penh still refused to accept "the whole or part" of the UN peace framework.

In an interview, Hun Sen clarified that attempts among the Cambodian factions to find a compromise have been

going on since last November and that during the past two days "we have narrowed down some of the remaining issues, and only a few points are to be debated... Right now we are proceeding towards a final objective."

Ahmed yesterday added that so far "more than 80 percent" of the draft agreement, which is to be adopted and endorsed by the plenum of the international Paris conference, has already been accepted by all the Cambodian parties, but the remaining "constitute some of the most crucial elements... to the implementation in a way that will bring lasting peace to Cambodia".

He said while the on-going SNC meeting has not yet touched on the questions, there were unofficial discussions and exchanges of views on the issues. "Hopefully it will come to an end soon... with good will and further discussions they (the Cambodians) can find viable solutions."

Three thorny elements yet to be resolved are the relationship between the United Nations and the Supreme National Council during the transitional period; the demobilization and disarmament of all the Cambodian armies; and a guarantee that the Khmer Rouge would not return to power.

To resolve the questions, Ahmed said the Cambodian council has to discuss the possible changes with Indonesia and France, which are the co-chairmen of the Paris international forum, then take the matter to the international conference's coordinating committee for discussion.

"If they could reach an agreement then the Paris conference will be reconvened to sign the agreement," he said.

On their first day of talks on Monday, the 12 SNC members agreed, among other issues, on an "unlimited ceasefire" and a cessation of foreign military assistance. The agreements took effect on June 24 but the Cambodian factions could not agree on which body should verify the implementation.

Ahmed said the SNC has not yet asked for assistance from the United Nations. But "if they asked for a limited system, I think this can be considered. Of course, it will be up to the (UN) Security Council to decide," he said.

He elaborated that the "limited UN assistance" could be "some military observation, communications teams and logistic staff who would enable the Cambodian parties to get in touch in case of any violation, or who could arrange a meeting among the parties if incidents take place."

The assistance, according to Ahmed, could come into force in a matter of a "week or ten days". But several missions have first to be sent to "see how much ground mission should be covered, where they will have to be located and what kind of billets and vehicles they would need."

As of yesterday morning, the SNC could not reach an agreement on the ceasefire verification procedure. While Prince Sihanouk suggested "friendly nations" do the job, Phnom Penh and the Khmer Rouge came up with their own proposals.

The Khmer Rouge called for 700 UN personnel to monitor the ceasefire and the cessation of military aid. But Phnom Penh proposed that a "Cambodian military committee" comprising government and resistance personnel be established to verify the agreements.

Khmer Rouge Wants International Guarantees

BK2506125491 Hong Kong AFP in English 1245 GMT 25 Jun 91

[By Charles-Antoine de Nerciat]

[Text] Phatthaya, Thailand, June 25 (AFP)—The Khmer Rouge has agreed to go to Phnom Penh for peace talks, but only under international guarantees, sources close to the Cambodian negotiations here said Tuesday.

They said the Khmer Rouge is willing to have meetings of the Supreme National Council (SNC) in Phnom Penh on an alternating basis, with members of the five permanent members of the U.N. Security Council present in the capital.

If the proposal is accepted by the Phnom Penh government, it would mark the first time that the Khmer Rouge will go to the Cambodian capital since it was driven from power in January 1979 by a Vietnamese invasion.

The SNC has been meeting here since Monday, and part of its discussions have centered on a site for a permanent headquarters.

Suggested venues included Phnom Penh, the former Cambodian Embassy in Bangkok, and guerrilla-held locations in areas along in Cambodia's border with Thailand, the sources said.

Cambodian Premier Hun Sen proposed Phnom Penh as a site on Monday, but the Khmer Rouge replied that it wanted to alternate SNC meetings between Phnom Penh and guerrilla-held areas such as Pailin, the gem-mining center under its control in northwest Cambodia.

Reasons for the Khmer Rouge position, diplomats said, included concern for the safety of its officials in Phnom Penh. Hundreds of thousands of Cambodians died during the Beijing-backed radical group's four year reign of terror that ended with its ouster in 1979. Another reason, the diplomats noted, was to ensure that further Cambodia peace talks remain firmly under the auspices of the United Nations.

The Khmer Rouge has demanded full implementation of a U.N. peace plan for Cambodia, as it sees it as an instrument to remove the Vietnamese-backed Phnom

Penh regime. But Phnom Penh wants the blueprint changed to allow it to remain in power until elections are held in Cambodia.

The Khmer Rouge proposal calls for SNC meetings in Phnom Penh to include an permanent international presence made up of representatives of the five permanent members of the U.N. Security Council—Britain, China, France, the United States and the Soviet Union, the sources said.

Under the Khmer Rouge proposal, SNC meetings would also be held in the presence of observers of France and Indonesia in their role as co-chairs of the Paris International Conference on Cambodia, the sources said. The Khmer Rouge has also said it wants to have its own security forces guarding the compound where its delegation would stay in Phnom Penh.

Further on Khmer Rouge Agreement

*BK2506153991 Hong Kong AFP in English 1456 GMT
25 Jun 91*

[Text] Pattaya, Thailand, June 25 (AFP)—The Khmer Rouge has agreed to return to Phnom Penh for Cambodia peace talks under international guarantees and the protection of its own security forces, a statement of Cambodia's Supreme National Council (SNC) said here Tuesday.

This will mark the first time that the Beijing-backed radical Marxist group will return to the Cambodian capital since it was driven from power in January 1979 by a Vietnamese invasion.

The agreement also asks China, the chief supplier of arms to the Khmer Rouge, and the United States, which supports non-communist guerrillas fighting Phnom Penh, to open permanent missions in Phnom Penh.

The SNC, formed of representatives of all warring factions—the pro-Vietnamese Cambodian Government and a tripartite guerrilla coalition dominated by the Khmer Rouge—has been discussing in this Thai seaside resort where to set up its permanent headquarters.

The SNC statement was adopted after hours of wrangling during which the factions suggested various sites including Phnom Penh, the former Cambodian embassy in Bangkok and guerrilla-held locations in areas along in Cambodia's border with Thailand.

It followed broadly a Khmer Rouge proposal which came after Cambodian Prime Minister Hun Sen offered Phnom Penh on Monday.

The Khmer Rouge then wanted to alternate the SNC meetings between Phnom Penh and guerrilla-held areas such as Pailin, the gem-mining center under its control in northwest Cambodia.

Diplomats commented that the reasons behind the Khmer Rouge proposal included the faction's concern for the safety of its officials in Phnom Penh.

Hundreds of thousands lost their lives in Cambodia's "killing fields" during the four-year reign of terror of the Khmer Rouge.

Another reason for the Khmer Rouge demands, the diplomats noted, was to ensure that further Cambodia peace talks remain firmly under the auspices of the United Nations.

The Khmer Rouge has demanded full implementation of a U.N. peace plan for Cambodia, as it sees it as an instrument to remove the Phnom Penh regime.

The Cambodian Government wants the blueprint changed to allow it to remain in power until elections are held in Cambodia.

The SNC statement said the factions had agreed to hold their meetings in the capital with an international presence made up of "permanent" missions of the five permanent members of the U.N. Security Council, which includes China and the United States.

Washington has no relations with Phnom Penh or its backer Vietnam.

Among "facilities and guarantees" listed for establishing SNC headquarters in Phnom Penh, the statement said "the representatives of countries participating in the PICC (Paris International Conference on Cambodia), of the representatives of the 'perm-five,' as well as the representatives of the ASEAN countries have their permanent mission accredited to the SNC."

ASEAN, the non-communist Association of Southeast Asian Nations, groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Also to open missions in Phnom Penh are the United Nations and the co-chairmen of the PICC, France and Indonesia, said the statement, which was read to reporters by Cambodian resistance head Prince Norodom Sihanouk.

"Members of the SNC from each party have their own residence protected by the party's forces," it said.

But the statement added that troops of the Khmer Rouge and their two smaller non-communist allies of factions loyal to Prince Sihanouk and former Premier Son Sann are in charge of security only within their respective compounds.

"The forces of the host party," or the Cambodian Government are the only ones responsible for security outside the compounds, it said.

Pending the setting up of SNC headquarters in Phnom Penh, the 12-member body is to meet in Bangkok, the statement said.

Hun Sen Supports U.N. Military Presence

*BK2606050891 Hong Kong AFP in English 0454 GMT
26 Jun 91*

[Excerpts] Phatthaya, Thailand, June 26 (AFP)—Cambodian Prime Minister Hun Sen said here Wednesday he strongly supported a substantial United Nations military presence in Cambodia to supervise the war-torn country's cease-fire.

Mr. Hun Sen was talking to reporters as he went into the final session of a meeting in this Thai seaside resort of Cambodia's Supreme National Council grouping representatives of the warring factions.

The factions, the Phnom Penh government which is supported by Vietnam and a guerrilla coalition dominated by the Beijing-backed Khmer Rouge, agreed on Monday to a permanent cease-fire in the 12 year civil war.

But the actual details of an international monitoring of the cease-fire as well as of an end of military assistance by China and Vietnam to their respective allies have still to be worked out.

Mr. Hun Sen, whose government has demanded that a United Nations peace plan for Cambodia be extensively modified to allow its administration and armed forces to be left intact, dismissed continuing suggestions that Phnom Penh did not want a U.N. supervised cease-fire.

He said he totally backed the formation of an SNC "military coordinating committee" to review the issue. The actual composition of the committee has still to be decided.

Asked whether his government was prepared to accept "an important military component" to a U.N. cease-fire monitoring mechanism, he replied: "That's exactly what we want."

"We request the good offices of the United Nations" to ensure that peace holds in Cambodia, Mr. Hun Sen said. [passage omitted]

Prince Norodom Sihanouk, the de facto chairman of the SNC, said last night that he had been assured that the U.N. would be sending a survey team to study the position. The prince said such a team would be the first step in achieving U.N. help in monitoring the cease-fire.

The Khmer Rouge, for its part, has proposed that a contingent of 700 U.N. personnel be sent shortly to Cambodia to monitor the cease-fire and the cessation of foreign military aid, according to diplomats.

It was not clear why the Khmer Rouge proposed that figure, but diplomats speculated that this was a bid to immediately draw a significant U.N. presence in the peace process.

The Khmer Rouge, which was driven from power in Cambodia after Vietnam invaded the country in late

December 1978 to install a client government in Phnom Penh, wants the U.N. peace plan to be fully implemented, as it sees the blueprint as an instrument to remove the present pro-Vietnamese regime.

Council Meeting in Phatthaya Held on 26 Jun

*BK2606065091 Bangkok Radio Thailand Network
in Thai 0530 GMT 26 Jun 91*

[Text] The Supreme National Council, or SNC, meets for the third day in Phatthaya today. The meeting is to discuss ways for supervising cease-fire by the United Nations, a continuation of yesterday's meeting.

Prior to the meeting, Hun Sen said that he had not rejected the UN role in supervising and monitoring the cease-fire. He just wanted a monitoring body, not a UN force in Cambodia. Several parties concerned want to have a UN force to supervise and monitor a cease-fire and to look after the situation before a general elections. However, he expected the meeting to be able to reach a solution today.

Phnom Penh, Khmer Rouge Differ on Monitoring

*HK2606084391 Hong Kong AFP in English 0747 GMT
26 Jun 91*

[Text] Pattaya, Thailand, June 26 (AFP)—The Cambodian government and its arch enemy, the Khmer Rouge, failed to agree here Wednesday on international monitoring of Cambodia's cease-fire, sources close to Cambodian peace talks said.

The Beijing-backed Khmer Rouge, at the closing session of Cambodia's Supreme National Council (SNC), opposed setting up a good offices team of the United Nations as supported by Phnom Penh's pro-Vietnamese Government, the sources said.

The issue, which touches on the central and sensitive problem of the U.N. role in ending the 12-year civil war, will be taken up again at the next meeting of the SNC in August, they said.

The wrangle ended the three-day SNC meeting, which was otherwise marked by important breakthroughs including agreement on a permanent cease-fire, an end to military assistance from China and Vietnam to their respective allies, and the set up of SNC headquarters in Phnom Penh.

Prior to Wednesday's session, Cambodian Prime Minister Hun Sen told reporters he strongly supported a substantial U.N. military presence in Cambodia to supervise the cease-fire.

Mr. Hun Sen, whose government has demanded that a U.N.-drafted Cambodian peace plan be modified to allow its administration and armed forces to remain intact, dismissed suggestions that Phnom Penh does not want a U.N. supervised cease-fire.

He said he totally backed the formation of an SNC "military coordinating committee" to review the issue. The actual composition of the committee has still to be decided.

Asked whether his government was prepared to accept "an important military component" to a U.N. cease-fire monitoring mechanism, he replied: "That's exactly what we want."

"We request the good offices of the United Nations" to ensure that peace holds in Cambodia, Mr. Hun Sen said.

This echoed remarks here on Monday by Rafiuddin Ahmed, a top U.N. official attending the SNC meeting as an observer.

Mr. Ahmed indicated that a monitoring mechanism could be set up rapidly with "some sort of good offices role in which there would be a military presence."

If the U.N. Security Council gave the green light, Mr. Ahmed explained, a team of military observers could be formed within weeks "to enable the parties to get in touch in the event of violations, or arrange meetings among the parties if incidents took place."

Prince Norodom Sihanouk, the de facto chairman of the SNC, has said he was assured that the United Nations would be sending a survey team to study the position. The prince said such a team would be the first step in achieving U.N. help in monitoring the cease-fire.

The Khmer Rouge, for its part, proposed that a contingent of 500 to 700 U.N. personnel be sent to Cambodia to monitor the cease-fire and the cessation of foreign military aid, the sources said.

It was not clear why the Khmer Rouge proposed that figure, but diplomats speculated that it was a bid to immediately draw a significant U.N. presence in the peace process.

The Khmer Rouge, which was driven from power in Cambodia after Vietnam invaded the country in

December 1978 to install a client government in Phnom Penh, wants the U.N. peace plan to be fully implemented, and it sees the blueprint as an instrument to remove the pro-Vietnamese Cambodian regime.

Prince Sihanouk, Cambodia's deposed monarch who has played a central role in the agreements here, said the next meeting of the SNC would be held in the second half of August.

The talks will take place in Bangkok, said the prince who is the nominal leader of the Khmer Rouge-dominated guerrilla alliance but has repeated over the past few weeks that he wants to serve as a bridge between his allies and the Cambodian Government.

Despite the agreement that the SNC would be headquartered in Phnom Penh, arrangements for this would not be completed in time for the August meeting.

The arrangements include, following Khmer Rouge demands, international guarantees with missions of U.N. Security Council permanent members—Britain, China, France, the Soviet Union and the United States—in Phnom Penh.

They also include the dispatch to Phnom Penh of security contingents of the Khmer Rouge and the other anti-government guerrilla groups to guard their respective compounds.

At a press conference officially closing the SNC meeting Prince Sihanouk said he had "received a signal" from Australia that it had decided to open an official mission to the SNC in Phnom Penh.

"And I thank Australia very much," he said.

As he was expressing his confidence that other countries would grant similar recognition, he was interrupted by a Japanese diplomat who shouted that Tokyo had also decided to open a mission in the Cambodian capital.

Yukio Imagawa, a senior diplomat at Japan's Embassy in Bangkok, stood up and said, "We, too, Monseigneur (Your Highness)."

Japan**PRC Foreign Minister Arrives for Visit 25 Jun***OW2506080691 Tokyo KYODO in English 0745 GMT
25 Jun 91*

[Text] Tokyo, June 25 KYODO—Chinese Foreign Minister Qian Qichen arrived in Tokyo Tuesday for a four-day official visit to discuss a number of bilateral and regional issues with Foreign Minister Taro Nakayama and other Japanese leaders.

Qian, who visited North Korea earlier this month, will likely urge Tokyo to continue its diplomatic normalization talks with Pyongyang when he meets Taro Nakayama on Wednesday.

The foreign ministers are also expected to discuss North Korea's plan to apply for a United Nations seat this fall and calls for the international inspection of that country's nuclear facilities.

Nakayama invited Qian to Tokyo during a visit to Beijing in May.

Qian is likely to offer help in resolving a thorny issue in the normalization talks between Tokyo and Pyongyang—the fate of a Japanese woman allegedly abducted from Japan and forced to train a North Korean terrorist in the Japanese language and manners.

Qian is to meet Prime Minister Toshiki Kaifu on Thursday and is expected to reach an agreement on the prime minister's visit to China and another much anticipated call by Emperor Akihito.

The Chinese foreign minister is also scheduled to meet leaders of the ruling Liberal Democratic Party, including former Prime Ministers Yasuhiro Nakasone and Noboru Takeshita.

Qian's visit will be the first by a Chinese foreign minister in more than two years and is expected to improve bilateral ties, strained by Beijing's military suppression of pro-democracy demonstrators in Tiananmen Square two years ago.

A year ago, Tokyo signaled it was ready to restore ties when Kaifu announced the unfreezing of a large package of yen loans that had been put on hold following the bloody Tiananmen crackdown.

Qian's visit to Japan coincides with that of exiled Chinese astrophysicist and dissident Fang Lizhi, who arrived over the weekend to attend a physics conference in Kyoto.

Meets With Nakayama*OW2606042491 Tokyo KYODO in English 0403 GMT
26 Jun 91*

[Text] Tokyo, June 26 KYODO—Chinese Foreign Minister Qian Qichen on Wednesday formally invited Japanese Emperor Akihito and Empress Michiko to visit China sometime next year, Foreign Ministry officials said.

It would be the first visit ever by a reigning Japanese emperor to China.

Qian conveyed Beijing's formal invitation to the imperial couple through Foreign Minister Taro Nakayama at the outset of talks, the ministry officials said.

A 1992 visit would be "very welcome," Qian, who arrived in Japan on Tuesday for a four-day official visit, was quoted as saying.

"It would be a great event in the history of Sino-Japanese relations and could be a major driving force for friendly relations between our children's children," Qian said.

Nakayama replied that Japan would like to give careful consideration to the Chinese invitation, the officials said.

The government also said Wednesday Prime Minister Toshiki Kaifu will visit China and Mongolia from August 10 to 14.

The Beijing government had earlier told Tokyo informally that it would like the emperor and empress to visit China in September 1992, the 20th anniversary of the restoration of Sino-Japanese diplomatic ties.

Beijing has been expressing at various levels the hope for an imperial visit since Vice Premier Wu Xueqian informally invited Emperor Akihito when the two met at last November's enthronement ceremony in Tokyo.

The imperial couple are scheduled to visit Thailand, Malaysia, and Indonesia for about 10 days from September 26. The visit will be the emperor's first overseas trip since he ascended the throne.

Kaifu, Emperor's Visit Discussed*OW2606055891 Tokyo NHK General Television
Network in Japanese 0300 GMT 26 Jun 91*

[Text] Today, at continuing talks between Foreign Minister Taro Nakayama and Chinese Foreign Minister Qian Qichen, an official accord was reached on Prime Minister Toshiki Kaifu's visit to China, which will begin on 10 August, so that the top-level exchanges between the two nations can be resumed.

Talks between Foreign Minister Nakayama and Chinese Foreign Minister Qian, who began his Japan visit yesterday, got under way at the Foreign Ministry's Iikura Guest House at 0930 this morning. Discussion are still in progress.

At the talks, views on bilateral issues between Japan and China were first exchanged. It has been decided that next year, in commemoration of the 20th anniversary of the restoration of diplomatic relations between Japan and China, activities like exhibitions and dramatic performances introducing cultures of the two nations will be held in both Tokyo and Beijing.

Furthermore, it was agreed that Prime Minister Toshiki Kaifu will visit China from 10 to 13 August at the invitation of Premier Li Peng. In this way, summit-level exchanges between the two nations, suspended since the Tiananmen incident in 1989, will resume.

Concerning the visit to China by the emperor and the empress, Foreign Minister Qian said: We welcome a visit to China by their majesties the emperor and the empress at their convenience next year. It would be a great event in the history of Sino-Japanese relations and could be a major driving force for friendly relations between our future generations. I hope that the Japanese Government will give positive consideration to their visit. He thus voiced his strong expectations that the visit to China by their majesties the emperor and empress would be realized.

In response, Foreign Minister Nakayama said that the government for its part would consider it thoroughly and indicated his view that positive consideration would be given to their visit.

On the other hand, in connection with the domestic situation in China, Foreign Minister Nakayama expressed his hopes that China's political and economic reforms would be promoted in ways easily understandable to foreign countries and stated that Japan would continue to cooperate with China in its modernization efforts. In response, Foreign Minister Qian emphasized that reform and open policies would continue to be implemented.

Meanwhile, Misoji Sakamoto, chief cabinet secretary, disclosed at the news conference held this morning that it has been decided that Prime Minister Kaifu will visit China from 10 to 13 June; he will follow that with a visit to Mongolia and return home on 14 June.

Remarks on DPRK, Ties, G-7

*OW2606083191 Tokyo KYODO in English 0749 GMT
26 Jun 91*

[Text] Tokyo, June 26 KYODO—Chinese Foreign Minister Qian Qichen said Wednesday he is optimistic that North Korea will conclude an agreement on international inspection of its nuclear facilities to ensure they are solely for peaceful use, according to Foreign Ministry officials.

But as for whether Pyongyang will allow unconditional inspection, Japanese and Chinese officials agreed not to disclose what Qian told Japanese Foreign Minister Taro Nakayama.

Qian, who arrived in Japan on Tuesday for a four-day official visit, met for three hours with Nakayama at the Foreign Ministry's Iikura Guesthouse.

Meanwhile, Nakayama, and Qian agreed that Prime Minister Toshiki Kaifu should visit China on August 10-13 and that the visit should represent a "new starting point" for bilateral ties.

Sino-Japanese relations were strained by the June 1989 military suppression of pro-democracy demonstrators in Beijing's Tiananmen Square but Tokyo has since unfrozen a massive aid package in a sign that it wants to improve ties.

Officials said Qian formally invited Emperor Akihito and Empress Michiko to visit China sometime during 1992, saying, "it would be a great event in the history of Sino-Japanese relations."

Foreign Ministry sources said China would like the imperial couple to visit made in September 1992, the 20th anniversary of the restoration of Sino-Japanese diplomatic ties.

Officials said Qian, who visited North Korea last week, told Nakayama that he is sure the nuclear inspection issue can be solved.

Nakayama said Japan welcomes Pyongyang's stated intention to conclude a nuclear safeguards agreement with the International Atomic Energy Agency (IAEA) but it is unclear whether Pyongyang is attaching conditions to inspection under the agreement.

North Korean Foreign Minister Kim Yong-nam told the WASHINGTON POST last week that Pyongyang will not accept inspection until the United States accepts inspection of the nuclear weapons it allegedly has in South Korea.

Nakayama, calling North Korea's nuclear program a source of concern for the entire Asia-Pacific region, asked Beijing to use its influence on Pyongyang to ease that concern, officials said.

Qian merely said Pyongyang has neither the ability nor the desire to produce nuclear weapons.

Qian's visit is the first by a Chinese foreign minister to Japan in more than two years. Nakayama visited Beijing in April.

Officials said Nakayama called on China to exercise restraint and adhere to international agreements regarding its exports of weapons, including missiles, and urged it to join the Nuclear Nonproliferation Treaty (NPT).

Officials said Qian replied China wants to ensure that any agreement covering arms transfers is "well-balanced," or nondiscriminatory. He said NPT membership is still under study and will take a long time.

Qian reiterated China's support for the removal of the so-called enemy clauses in the UN charter, saying China considers them a product of the past.

Japan, which was one of the so-called enemy states when the UN charter was drawn up in 1945, sees this classification as inconsistent with its present status in the world.

Qian said the removal of the clauses might entail some legal difficulties but some way will eventually be found to deal with them.

Referring to the London summit of seven major industrialized countries scheduled July 15-17, Qian said China wants Japan to continue exerting a positive role in facilitating improved relations between China and the West.

Nakayama pledged that Japan, as the only Asian country in the summit, will do its best to represent the interests of other Asian countries.

Officials said Nakayama proposed that Japan and China consult on how they can jointly help Mongolia as an example of Sino-Japanese cooperation in Asia.

Qian welcomed the idea, noting that China has begun discussions with Mongolia on cooperation.

Officials said Nakayama was referring to cooperation by which China would provide land-locked Mongolia with an outlet for its exports. Japan, for its part, would provide assistance aimed at revamping Mongolia's transportation infrastructure.

Nakayama said Japan is pleased to hear that Chinese Premier Li Peng has indicated China is striving not only for economic reform but political reform as well.

Nakayama urged China to put more efforts into showing the world it is committed to economic reform. He added Japan will continue providing economic assistance to supplement China's efforts at modernization.

Qian said China's policies of reform and openness are supported by the Chinese people and it is impossible for that policy direction to change.

The Chinese foreign minister conveyed China's wish for the resumption of negotiations over a new package of loans from the Export-Import Bank of Japan for resource development projects, separate from the 810 billion yen loan package to be provided between 1990 and 1995.

Japan has made a trillion yen in loans to China for resource development projects since 1979. Negotiations on the new loan request were suspended after the 1989 Tiananmen Square incident.

Meets With Finance Minister

OW2606093091 Tokyo KYODO in English 0907 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—Chinese Foreign Minister Qian Qichen called Wednesday for Japanese financial assistance, particularly in energy development.

In a meeting with Finance Minister Ryutaro Hashimoto, Qian, on a four-day visit to Japan, stressed what he called his country's steadily expanding economy and stable politics.

Hashimoto responded positively to Qian's request, saying that negotiations are under way for the Export-Import Bank of Japan to provide yen-denominated loans for resources development.

The governmental bank has provided a total of 1 trillion yen in two such loans launched in 1979 and 1984.

Kaifu To Visit China, Mongolia 10-14 Aug

OW2606082391 Tokyo NHK General Television Network in Japanese 0300 GMT 26 Jun 91

[Text] Chief Cabinet Secretary Sakamoto, in a news conference this morning, said it has been decided that Prime Minister Kaifu should visit China from 10 to 13 August. Mr. Kaifu will head for Mongolia afterwards and then return home on 14 August, he added.

Firm Wins \$150 Million Order From PRC

OW2606010591 Tokyo KYODO in English 2343 GMT 25 Jun 91

[Text] Tokyo, June 26 KYODO—A leading Japanese plant engineering company, Toyo Engineering Corp., has won an order from China for an ethylene plant in Tianjin, a business daily reported Wednesday.

The NIKKEI SANGYO SHIMBUN said in a dispatch from Beijing that the company has signed an agreement to build the plant jointly with a Spanish company for about 150 million dollars.

The plant with production capacity of 140,000 tons is one of the major projects in China's eighth five-year plan, covering the period from 1991 to 1995, it said.

It is the first order won by a Japanese company for an ethylene-related project in the latest five-year plan, it said.

Curbs on Trade With South Africa Lifted

MB2506115491 Johannesburg South African Broadcasting Corporation Network in English 1100 GMT 25 Jun 91

[Text] Japan has unofficially lifted its call for voluntary restraint on expanding trade with South Africa.

The Ministry of International Trade and Industry in Tokyo told trading companies that they could expand trade with South Africa, but at a maximum of 20 percent a year.

Last Friday [21 June] Japan lifted curbs on tourism and other human exchanges with South Africa but said that it would retain strict economic sanctions until Pretoria had completed dismantling apartheid.

In 1987 Japan became the top trading partner of South Africa in spite of strong criticism from the West. As a result Tokyo banned new investment and later issued guidelines that trade volume should not be increased.

Kaifu To Meet Gorbachev, Hesitant on Loans Plea

*OW2606084191 Tokyo KYODO in English 0802 GMT
26 Jun 91*

[Text] Tokyo, June 26 KYODO—Prime Minister Toshiki Kaifu will meet with Soviet President Mikhail Gorbachev in London on July 17—the closing day of the London summit—but underlined Japan's hesitancy to grant massive financial aid to the Soviet Union.

"Japan will limit its assistance (to the Soviet Union) to technological aid for the time being," officials quoted Kaifu as saying.

"Only after conditions (for extending financial assistance) are lived up to, we will consider making our next move." They quoted Kaifu.

Kaifu made the remarks at a meeting of government leaders and executives of the ruling Liberal Democratic Party (LDP).

He will attend the summit meeting of seven industrial democracies on July 15-17, where Western leaders will debate how to help stabilize the potentially chaotic situation in the Soviet Union, which faces the challenge of a changing from a centrally-controlled economy to a free market.

During his mid-April visit to Japan, Gorbachev implored Japanese political and business leaders to bolster investments and financial aid to the Soviet Union, but was refused because of the continued Soviet occupation of four northern islands off Hokkaido claimed by Japan.

The islands were seized by the Soviet Red Army at the last days of World War II. This dispute and the Japan-U.S. military alliance made it impossible for both nations to conclude a peace treaty, limiting economic relations.

During six rounds of talks with Gorbachev in Tokyo, Kaifu made it clear Japan's extension of loans to the Soviet Union depends on progress in negotiations over the territorial demands.

Kaifu also told the meeting of government and LDP executives that "summit-participating countries are unanimous in endorsing (Gorbachev's program of) perestroika."

Hashimoto Meets Polish Prime Minister for Talks

*OW2506133691 Tokyo KYODO in English 1141 GMT
25 Jun 91*

[Text] Tokyo, June 25 KYODO—Polish Prime Minister Jan Krzysztof Bielecki thanked Japan Tuesday for help in easing his country's external debt burden and asked for increased Japanese investment, government officials said.

Bielecki, here on a four-day visit, made the appeal in a meeting with Finance Minister Ryutaro Hashimoto at the Finance Ministry Tuesday afternoon, the officials said.

Hashimoto praised Poland for making strenuous efforts to rebuild its economy and said Japan will provide financial support for East European countries through the London-based European Bank for Reconstruction and Development, of which it is a member, the officials said.

Earlier in the day, the Polish prime minister, accompanied by his wife and entourage, visited the Tokyo Stock Exchange.

After a brief stop at the second floor VIP room overlooking the trading floor, Bielecki and his party went downstairs to get a first hand look at trading, exchange officials said.

After watching computerized trading, the visitors were briefed on the exchange's operations, including trading conditions and brokerage fees, they said.

Bielecki, in meeting with the market's President Minoru Nagaoka, said his Government, which is accelerating privatization of enterprises, plans to develop Warsaw's stock exchange as a step toward consolidating the country's financial market, the officials said.

Bielecki told Nagaoka the Warsaw Stock Exchange is scheduled to start trading in July, they said.

Seeks 'Balanced Relationship'

*LD2606035691 Warsaw PAP in English 1240 GMT
25 Jun 91*

[Text] Tokyo, June 25—Poland's Prime Minister Jan Krzysztof Bielecki told Japanese reporters in Tokyo on Tuesday he had come to Japan neither to ask for anything nor to offer anything.

Addressing a press conference here, he termed the purpose of his visit as the "willingness to enhance mutual

understanding". He denied reports by some Japanese papers on his alleged efforts to expand Japanese investments in Poland.

Referring to his idea of foreign assistance to eastern Europe, he suggested that the G-7 aid for the Soviet Union should cover also other states of eastern Europe, and stressed that trade links between the Soviet Union, Poland, Hungary, and Czechoslovakia must not be allowed to collapse overnight because of Soviet payment problems.

Bielecki pointed to his country's aspirations for association with the EC and to hopes for the development of regional cooperation in Europe. He also spoke about the crucial points of Poland's industrial policy.

"I want Poland to be a full member of Europe, but to have a balanced relationship with the United States and a balanced relationship with Japan," he added.

On Tuesday, the last day of his unofficial visit to Japan, Polish Prime Minister Jan Krzysztof Bielecki held talks with Japanese Finance Minister Ryutaro Hashimoto, one of the leaders of the Liberal-Democratic Party Michio Watanabe, President of the Japanese Chamber of Commerce and Industry Rokuru Ishikawa and head of the Tokyo Exchange Minoru Nagaoka.

Defense Official on USSR Plans on Islands

*OW2606024591 Tokyo KYODO in English 0011 GMT
26 Jun 91*

[By Narito Ohta]

[Text] Tokyo, June 26 KYODO—The end of Cold War is becoming a reality in Europe, but only a signal in the Far East.

The last Soviet army troops stationed in Hungary left in the middle of June, two weeks ahead of schedule. By June 30, the Red Army troops are also to complete withdrawal from Czechoslovakia.

The last U.S. Pershing-2 nuclear missile units were eliminated from Europe in early June in compliance with the Intermediate Nuclear Forces (INF) treaty signed in December 1987.

"The way structural change in the world order is going to affect the Far East is quite different from the process affecting the European situation," a Japanese Defense Agency official said.

As an example, the official who asked to be unidentified, said that in December 1987, on the day the INF treaty was concluded, a Soviet TU-16 bomber, flying over a U.S. base in Okinawa, twice infringed on Japanese airspace.

"Soviet military troops in the Far East have been reduced in quantity due to budgetary constraints as a

result of the flattening economy, but have been modernizing the equipment to increase capabilities," the official said.

Delegates to the Conventional Forces in Europe (CFE) talks, which was signed in November 1990 and symbolizes the end of the Cold War in Europe, approved a Soviet compromise proposal recently, clearing the path for a superpower summit this year.

The negotiations between 16 countries of the North Atlantic Treaty Organization (NATO) and six members of the disbanded Warsaw Pact have been stalled for nine months as Moscow reassigned 933 tanks and other equipment to naval and coastal defense which is outside the CFE.

A senior Japanese Foreign Ministry official said, "There is also the question of the transfer of a vast amount of weapons by the Soviets east of Urals before the signing of the CFE treaty."

"Their presence in itself could become a factor tilting toward destabilization and increased tension in the Far East. Measures of disarmament of one region should not be carried out at the cost of another region. Security is indivisible in this sense," Deputy Foreign Minister Hisashi Owada said.

Under the Soviet compromise plan, Moscow agreed to destroy or convert to peaceful use about a quarter of the 57,000 pieces of equipment it transferred out of the treaty zone—from the Atlantic to Urals—before the CFE accord was signed.

The Defense white paper for 1990 ceased to depict the Soviet Union as a "potential threat" to security in the Far East ahead of President Mikhail Gorbachev's visit to Tokyo in April.

But Soviet military presence in the region, the annual government report said, is putting "security pressure" on neighboring countries including Japan.

Japan had set an annual average of a three percent increase in the new defense buildup program, which totals 22.75 trillion yen (about 162 billion U.S. dollars) for the fiscal 1991-1995 period.

The planned three percent growth rate in overall spending is well below the 5.4 percent in the preceding five-year program, but in sharp contrast to declining world military spending.

World military expenditures fell almost four percent in 1990 to about 960 billion dollars from 1989, despite the buildup to the Gulf war, according to the Stockholm International Peace Research Institute.

Opposition parties in Japan criticize that the new defense scheme does not reflect recent military detente in East-West relations.

Responding to such criticism, Masahiko Komura, head of the Liberal Democratic Party's National Defense Commission, defended the program, saying the level of basic forces Japan should have in peacetime is irrelevant to the international situation.

After the Gulf war, the Defense Agency is working to upgrade the weapons system in both quality and spending, rather than simply procuring new systems, to attain "efficient" defense capabilities, agency officials said.

The possibility of regional conflicts like the Gulf war is rising, although the chance of a major confrontation between two superpowers has receded, they said.

According to the officials, the Air Self-Defense Force is considering replacing manual operations in the F-15J fighter with computer controls to enable the fighter aircraft to get into an attacking position faster.

A joint statement issued by Gorbachev and Prime Minister Toshiki Kaifu in April contains Moscow's pledge to reduce the number of Soviet forces on three of the four Soviet Islands, Etorofu, Kunashiri, and Shikotan, closest to Japan off Hokkaido.

"It seems clear that Moscow has no intention of implementing the pledge," a Defense Agency official said.

Soviet occupation of those islands at the end of the World War II, and present Soviet deployments, indicates the Red Army considers the islands critical to its access to the open Pacific, the official said.

Okinawans Protest USMC Live Shell Exercise

*OW2506100991 Naha NHK Television in Japanese
0315 GMT 25 Jun 91*

[Text] The U.S. Marine Corps [USMC] started a three-day live firing exercise over Prefectural Highway 104 in Kin Town today.

The live shell firing exercise will be conducted for three days, starting today, as the ninth exercise this year. Today's training started shortly before 0830, when the first high explosive shell was fired into a hazy sky. The training this time uses two gun positions in the training area and 105mm howitzers. Clouds hung low over Kin Town this morning, and visibility around the impact area on Mt. Onnadake was too poor to see where the shells fell.

In protest against the exercise, local reformist groups gathered in front of the gate of the training area and on a hill in the vicinity of the impact area early this morning. They are strongly reacting against the exercise in the wake of Okinawan War Memorial Day of 23 June.

Engineering Consultants Plan Venture in Vietnam

*OW2506050691 Tokyo KYODO in English 0421 GMT
25 Jun 91*

[Text] Tokyo, June 25 KYODO—Nippon Koei Co., a Tokyo-based major engineering consulting company, said Tuesday it will set up a consulting joint venture in Vietnam in July.

Vietnam's National Investment Board has approved the deal, and final agreement is about to be reached, Nippon Koei officials said.

The joint venture, to be called Vietconsult International Corp., will be capitalized at 200,000 dollars, 60 percent of which is to be put up by Nippon Koei, with the remainder coming equally from two subordinate groups of a Vietnamese government agency called Power Co., the officials said.

The new company will be based in Hanoi with a branch office in Ho Chi Minh City.

The new venture will offer general consulting services on infrastructure development projects in Vietnam, including planning, feasibility studies, design, construction supervision, and operation guidance, the officials said.

Among its first projects will be to draw up plans to build the Tacmo hydroelectric power station at a site northwest of Ho Chi Minh City, which will have a generating capacity of 160,000 kilowatts, the officials said.

Nippon Koei also plans to construct a four- or five-story office building in Hanoi next year for rental use, they said.

Nippon Koei had made about 30 consulting deals in the former South Vietnam. The officials said the consulting giant expects to reestablish its market there, since they see good prospects that the United States and other industrial nations will lift economic sanctions against Vietnam in the not so distant future.

Foreign Ministers Meets Tunisian Counterpart

*LD2006122591 Tunis Tunisian Republic Radio
Network in Arabic 2300 GMT 18 Jun 91*

[Text] Tunisian Foreign Minister Habib Ben Yahia is continuing his visit to Japan. Today he held a working session with his Japanese counterpart [Taro Nakayama], which was devoted to reviewing political matters of common interest and bilateral cooperation. Both sides expressed satisfaction at the positive development witnessed by the relations of cooperation and friendship between the two countries. They also exchanged views on the most important current issues, particularly the peace process in the Middle East.

Habib Ben Yahia also held talks with the speaker of the Japanese house of representatives and several parliamentary officials on the development of bilateral relations and the international situation.

In the morning, Ben Yahia was interviewed by a TV station directed primarily at businessmen, in which he answered several questions on Tunisian-Japanese relations and Tunisia's economic reform policy.

Securities Dealers' Charter To Be Revised

OW2506134791 Tokyo KYODO in English 0918 GMT 25 Jun 91

[Text] Tokyo, June 25 KYODO—The Japan Securities Dealers' Association said Tuesday it will soon revise its charter to impose a ban in principle on the controversial discretionary accounts.

The association said the revision will be made after the Finance Ministry issues a notice to the securities industry later this week to do away with the problematic practice.

Discretionary accounts allow brokerages to operate funds collected from corporate clients on financial markets at their own discretion.

The action follows the recent disclosure that the "big four" brokerages paid a huge amount of money to institutional investors to make up for losses caused by the market crunch, which began early last year.

The scandal has led to the resignations of the presidents of Nomura Securities Co. and Nikko Securities Co., two of the big brokerages.

Officials at the Finance Ministry said it will issue a notice to brokerages this week, ordering them to do away with the discretionary account practice.

Under a new charter, brokerages will be allowed to engage in stock and bond dealings for corporate customers only with buy or sell orders specifying maximum or minimum prices at which they should be bought or sold, association officials said.

The officials said the new regulations will apply only to brokerages and not to investment consultant firms licensed by the Government.

Securities Head Not To Come From 'Big Four'

OW2606091691 Tokyo KYODO in English 0705 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—Japan's scandal-tainted "Big Four" securities companies agreed Wednesday that they would not supply the next leader of the Japan Securities Dealers' Association.

The chairman of the industry group has traditionally been an executive of one of the four leading companies—

Nomura Securities Co., Nikko Securities Co., Yamaichi Securities Co., or Daiwa Securities Co.

The agreement came when executives of the four companies met Wednesday to discuss how to deal with the scandal ignited by revelations that all four brokerage houses had covered the stock losses of favored clients.

The executives also agreed that the next chairman of the industry association should be named by July 1 through consultations with the 32 member companies of the association.

The industry group began considering candidates for chairman after Setsuya Tabuchi, Nomura's chairman, announced Wednesday he will not become the next association chairman on July 1, as previously planned.

Tabuchi informed the association's current chairman, Shoji Umemura, of his decision, saying he was declining the position to take responsibility for Nomura's part in recent controversies, association officials said. In addition to compensating clients, Nomura and Nikko have also admitted to arranging loans for a major underworld figure.

Industry sources said the association's next chairman is likely to be a top official of one of the larger securities companies other than the "Big Four."

A Finance Ministry official, meanwhile, told a Diet committee that the government will study the possibility of banning securities companies from compensating clients for trading losses. Such compensation runs counter to a ministry directive, but is not prohibited by law.

Takao Hotta, director of the ministry's securities companies division, also told the House of Councillors' committee on audit that the government plans to take measures against discretionary accounts, in which securities companies make investments for their corporate clients at their own discretion.

Showa Shell Denies Involvement in Stock Scandal

OW2506142391 Tokyo KYODO in English 1249 GMT 25 Jun 91

[Text] Tokyo, June 25 KYODO—Showa Shell Sekiyu K.K., a major oil refiner affiliated with Royal Dutch Shell, denied a news report Tuesday that it was involved in a stock payout scandal.

The YOMIURI SHIMBUN, in a front-page article, named the company as one of the major corporate clients compensated for their stock and bond losses by Nomura Securities Co.

Yutaka Otaka, managing director of Showa Shell, told a news conference the company had discontinued all transactions with Nomura by the middle of December 1989.

He said the company had about 10-20 billion yen in a Nomura discretionary account when its contracts with Nomura were discontinued.

Otaka said the company received an inquiry from the Finance Ministry about its contracts with Nomura.

"I don't think (Showa Shell Sekiyu) received any compensation. (We) never demanded Nomura securities make up for losses," he said.

A statement issued by the company said it had both profits and losses during a long period of dealings with Nomura but never asked Nomura to cover losses.

Yasuhiro Mizuuchi, vice president of Nomura, declined comment, saying the matter is still under investigation.

Mizuuchi, however, admitted that payouts were made to five or six companies.

He also denied YOMIURI's report that Nomura used an overseas subsidiary of a major Japanese corporation to conceal its compensation payments to corporate clients.

"The report is totally unfounded," he said.

Nomura, the world's largest brokerage, was alleged to have paid a total of about 25.5 billion yen to selected corporate clients to make up for losses caused by the "Black Monday" stock market crash in October 1987, YOMIURI said.

Tokyo to Second Largest Aid Donor in 1990

*OW2606100491 Tokyo KYODO in English 0846 GMT
26 Jun 91*

[Text] Tokyo, June 26 KYODO—Japan has lost its position as the world's largest aid donor, having been overtaken by the United States in 1990, the Foreign Ministry said Wednesday.

Quoting statistics compiled by the Paris-based Organization for Economic Cooperation and Development (OECD), the ministry said Japan disbursed 9,239 million dollars in official development assistance (ODA) in 1990.

The amount represented a 3.1 percent increase in dollar terms over the 8,965 million dollars Japan contributed in 1989, the year it overtook the U.S. to become the world's biggest aid donor for the first time ever.

The figures for Japan's ODA were contained in a report issued by the Development Assistance Committee (DAC), an organ of the OECD consisting of 18 member countries.

Officials said the DAC's announcement of the figures for the U.S. and France, the world's first and third largest aid donors in 1990, has been delayed due to a last-minute dispute over exactly what transactions to figure into aid calculations.

The report said Japan's aid as a ratio of its gross national product (GNP) in 1990 was 0.31 percent, the same as in 1989.

Japan's latest medium-term (ODA) plan calls for 50 billion dollars to be disbursed between 1988 and 1992 in order to raise its ODA/GNP ratio closer to the DAC average.

Though the DAC average ODA/GNP ratio for 1990 has not yet been announced, it is believed to come to around 0.35 percent, surpassing the 1989 0.33 percent average.

The latest figures mean that to meet its goal, Japan would have to disburse 23 billion dollars in 1991-92. Foreign Ministry sources said that would be difficult to accomplish without a rapid rise in the value of the yen.

A DAC aid review of Japan released last week called on Japan to achieve its target as scheduled, while improving aid quality and terms.

The U.S. aid in 1990 was estimated at more than 10 billion dollars, while the French aid at about 6.5 billion dollars.

Takeshita 'Not Vying' To Replace Prime Minister

*OW2606114491 Tokyo KYODO in English 1101 GMT
26 Jun 91*

[Text] Tokyo, June 26 KYODO—Former Prime Minister Noboru Takeshita said Wednesday he is not vying to replace Prime Minister Toshiki Kaifu when Kaifu's two-year term as head of Japan's ruling Liberal Democratic Party (LDP) ends in October.

Takeshita, regarded as a possible candidate to replace Kaifu, recalled at a symposium that he stepped down to take responsibility for the loss of confidence in the LDP due to the recruit bribery scandal.

He told the audience of nearly 3,000 LDP supporters he does not aspire to lead the effort to introduce political reforms.

Takeshita left office in June 1989 after top LDP leaders were implicated in the stock-for-political favors scandal, which caused his popular support ratings to plunge to three percent.

Kaifu, who was selected to lead the party for his "clean image," has said political reform is the leading issue facing his government.

Related legislation is expected to be debated during a special session of parliament this summer, although it is unlikely reforms will be passed into law before Kaifu's term as party president expires on October 30.

Takeshita was speaking at a symposium organized by the Reimei Group of Liberal Democratic Party (LDP) politicians, led by nationalist Shintaro Ishihara.

Ishihara, author of the controversial book "The Japan That Can Say No," told the standing-room-only audience he did not believe the United States-led victory in the Persian Gulf war had established the U.S. as the world's top political leader.

The U.S. depended on borrowed capital and Japanese computer technology to help oust Iraqi troops from Kuwait, he said.

"The United States is exhausted and confused, and I don't think its economy will easily recover."

Ishihara called for greater mutual understanding between Japan, which he said has achieved success with a "non-European system," and the U.S., which he described as the final standard-bearer of European civilization.

The symposium was attended by some 2,800 LDP supporters, who each paid 30,000 yen for admittance.

The 24-member Reimei Association was founded by Ishihara and 12 other LDP members in 1989 as a policy-making and lobbying group that bridges the LDP's five major factions.

It has lobbied Kaifu to approve Japan's participation in United Nations peacekeeping forces, and seek the elimination of the U.N. charter clause classifying countries defeated in World War II as enemy nations.

Banks To Raise Long-Term Prime Rate 1 Jul

OW2506164391 Tokyo KYODO in English 1003 GMT 25 Jun 91

[Text] Tokyo, June 25 KYODO—The Industrial Bank of Japan and two other long-term credit banks said they are raising the long-term prime lending rate by 0.2 percentage point to 7.9 percent per annum, effective July 1.

It is the first increase in the key rate, which the banks charge their most creditworthy corporate borrowers, in three months.

Officials of the banks said they are taking the step in line with a rise by about 0.2 percentage point in the yield of interest-bearing bank debentures, on which the long-term prime rate is based.

Bank sources said interest rates and yields on various financial instruments will be increased, effective with those to be put on sale Friday. The yield on the "wide" interest-bearing bank debenture, for instance, will go up 0.27 percentage point to 8.21 percent per annum, they said.

The other two long-term credit banks are the Long-Term Credit Bank of Japan and Nippon Credit Bank.

BOJ To Continue Curb on Bank Lending Jul-Sep

OW2506135591 Tokyo KYODO in English 1308 GMT 25 Jun 91

[Text] Tokyo, June 25 KYODO—The Bank of Japan (BOJ) will continue its curb on lending by major commercial banks for the July-September quarter, but will slightly soften its stance, central bank sources said Tuesday.

The sources said the central bank will set its target for growth in lending by city banks for the coming quarter at around 5 percent below growth during the same quarter last year.

City banks are the 11 major commercial banks that operate nationwide. Such restriction on lending is conducted under a practice known as "window guidance."

Although the target will keep loan growth below year-earlier levels, it will be less restrictive than the 15.2 percent target set for the April-June quarter.

But one source denied the less restrictive target means a relaxation of the BOJ's tight grip on credit. "The curb on growth will remain in place, so the basic trend is that the tight credit policy will be maintained," he said.

For the coming quarter, the BOJ also plans to allow each bank to draft its own lending plan instead of requiring them to follow BOJ guidelines as in the past, the sources said.

The change reflects each bank's cautious attitude toward loans because of new capital adequacy standards required by the Bank for International Settlements (BIS), they said.

The BIS rules require Japanese banks doing business internationally to have capital equivalent to 8 percent of risk-weighted assets by March 1993, which have forced banks to hold down loan growth as claims on lending are calculated as assets.

Use of SDF Personnel for UN Duties Urged

OW2406132191 Tokyo KYODO in English 0830 GMT 24 Jun 91

[Text] Tokyo, June 24 KYODO—A government advisory panel on Monday urged the Government to strengthen management of its foreign affairs policies and called for the contribution of military personnel to United Nations peacekeeping operations.

The panel also proposed to adopt a country-by-country policy on Japanese Official Development Assistance (ODA).

The panel—a subcommittee of the Ad Hoc Council for Administrative Reform Promotion comprising business leaders and academics—made the proposals in a draft interim report. The report will be submitted to Prime Minister Toshiki Kaifu on July 4.

Titled "A Doctrine for Japanese Foreign Affairs Policy and How To Improve It," the report called for greater Japanese contributions to peace throughout the world.

"When international security is threatened (in a certain area), Japan should provide maximum cooperation to help restore peace within the framework of its Constitution," the interim report said.

To this end, the report called on the Government to draw up legislation that would empower the Government to use personnel of the Self-Defense Forces (SDF) to help in UN peacekeeping operations. SDF personnel should also be of use in helping in disaster rescue operations overseas, it proposed.

The sending of SDF personnel to help UN peacekeeping operations is controversial in Japan because the Constitution bans the use of force as a means of settling international disputes.

"It is necessary to foster a public consciousness that Japanese citizens should tolerate and accept sacrifices and pain (which may be required by such personnel contributions)," the report said.

It also urged the Foreign Ministry to increase the number of experts assigned to collect and analyze information necessary for the smooth implementation of foreign relations and the recruitment of private candidates for ambassadorial and ministerial posts.

It called for increased power to the Cabinet Secretariat to coordinate policies among the Foreign Ministry and other ministries.

The report also urged the Government to step up efforts to increase the annual ratio of foreign aid-related budgets to the Gross National Product (GNP) figure to 0.7 percent, while boosting the ratio of grant components to the overall ODA budget.

It urged the Government to "ensure the transparency" of the foreign aid disbursement process before the public, saying, "The Government should provide to the public information on the process of deciding how to disburse ODA and the follow-up after disbursements are made."

More Export-Import Firms Open Overseas Offices

*OW2106125491 Tokyo KYODO in English 1211 GMT
21 Jun 91*

[Text] Tokyo, June 21 KYODO—The number of overseas offices opened by Japanese companies engaged in export-import business reached 5,943 as of March 31, 1990, a government report released Friday said.

The number has increased steadily, from 5,522 in 1988 and 5,623 in 1989, according to the report released by the Ministry of International Trade and Industry (MITI).

Of the total, 1,904 offices are located in Southeast Asia, followed by 1,431 in North America, and 1,178 in Western Europe, the MITI report said.

The pace of increase was most rapid in Southeast Asia, with a year-on-year rate of increase of 9.5 percent, it said.

This pace compared with 8.2 percent in Western Europe and 7.6 percent in North America.

The annual report said these figures reflect a "globalization" of operations by Japanese companies.

The ministry conducts the survey regularly among companies involved in trade-related businesses.

In the latest survey, the ministry polled a total of 11,609 companies, including foreign-owned firms operating in Japan.

Those surveyed included not only trading houses but all those involved in export and import business, such as manufacturers and department stores.

Among other things, the MITI report points out that the number of workers in companies specializing in exports is dropping, to 31,000 in the latest survey from 33,000 in 1989 and 43,000 the preceding year.

The number of employees working for export-import companies, on the other hand, increased to 306,000 in 1990 from 252,000 a year earlier.

The report said the changes occurred because a strong domestic demand encouraged import businesses, while exports maintained a moderate growth.

The fact that more Japanese manufacturing companies have set up facilities overseas also weakened the growth in exports, contributing to the decline in the number of workers in export-only companies, it added.

MITI Establishes New Style of Trade Insurance

*OW2506121291 Tokyo KYODO in English 1055 GMT
25 Jun 91*

[Text] Tokyo, June 25 (KYODO)—The Ministry of International Trade and Industry (MITI) announced Tuesday it will introduce a new type of "short-term comprehensive" trade insurance on July 1, in order to broaden trade insurance choice and further promote its use.

The new type applies to export contracts settled within two years of shipment.

It covers losses resulting from political risks over which neither Japanese exporters nor foreign buyers have control, such as the imposition of foreign exchange restrictions and the sudden banning of trade due to events such as war, as well as natural disasters. It also covers credit risks such as the bankruptcy of a foreign buyer.

A major feature of the new insurance is that exporters can apply for it on a company-by-company basis.

Most of the types currently in use require that exporters apply through the trade association to which they belong.

Premiums for the new-type insurance, which is already common in Europe and the United States, will be reviewed every three years based on claims actually made. The less the claims, the lower the premiums will be pegged, MITI officials explained.

The officials said 13 major Japanese trading houses have already decided to apply for the new insurance. The combined amount of contracts is expected to reach 2 trillion yen for fiscal 1991, they said.

The ministry expects the annual amount to grow to the 8 trillion yen level in seven years or so.

Mongolia

Byambasuren Notes Significance of PRC Talks

OW2006115291 Beijing XINHUA in English
1120 GMT 20 Jun 91

[Text] Ulaanbaatar, June 20 (XINHUA)—Mongolian Premier Dashiyn Byambasuren said today his meeting with his Chinese counterpart Li Peng in Beijing on Wednesday laid a good foundation for closer cooperation between the two countries.

Byambasuren told XINHUA here after returning from the U.S. via China that he and Premier Li Peng briefed each other on the reform process in the two countries and exchanged views on promoting bilateral relations.

The meeting, the first between the two premiers, was of great significance, Byambasuren said.

"As premiers," he said, "both of us realize that we should take decisive actions to enhance Mongolian-Chinese ties."

The Mongolian premier's trip to the United States began on June 11. There he met with U.S. Secretary of State James Baker and officials of the United Nations and its financial institutions, the World Bank and the International Monetary Fund, to seek more economic assistance from the West.

Vice President Interviewed on PRC Visit

OW2206171591 Beijing XINHUA Domestic Service
in Chinese 1340 GMT 22 Jun 91

[By reporters Bataercang and Li Jiahao]

[Text] Ulaanbaatar, 22 Jun (XINHUA)—On the eve of his visit to China at the invitation of China's National People's Congress [NPC] Standing Committee, Radnaasumbereliyn Gonchigdorj, chairman of the Mongolian

Small Hural and vice president of the Mongolian People's Republic, today commented on the development of Mongolian-Chinese relations in an interview he granted to XINHUA reporters.

Gonchigdorj said: "We are very satisfied that the long-standing traditional Mongolian-Chinese relations have been expanding and developing since the obstacles were removed. It is worthy of note that the sincere efforts exerted by the two countries to develop their relations are the basis on which relations and cooperation between the two countries can develop in such a manner." He added: The political relations between the two countries have been completely normalized and they have reached the highest level. The visit to China last year by Punsalmaagiyn Ochirbat, in his capacity as chairman of the Great People's Hural of the Mongolian People's Republic, was an important step toward closer bilateral relations. The development of relations between the two countries' highest legislative organ and parliament plays an important role in promoting Mongolian-Chinese ties. The visit to Mongolia by Peng Chong, vice chairman of the Chinese NPC Standing Committee, in 1987 and the visit to China by the chairman of the Great People's Hural of Mongolia in 1988 initiated a new beginning for the expansion and development of the two countries' parliaments.

He said: Mongolia has now adopted a policy of switching to a market economy and opening to the outside world, and this will provide broader opportunities for economic cooperation between the two countries. China has accumulated fairly rich experience in implementing open economic policies. We have always believed that the Chinese people have made tangible contributions to Mongolia's economic and production development. I believe that this tradition will be enriched and developed with new substance.

Gonchigdorj concluded: "I wish to use this opportunity to emphasize that broadening the ties between the two countries' parliaments is greatly significant for the development of the two countries' relations in the economic, cultural, scientific, and other departments."

Laws on Privatization, Bankruptcy Adopted

OW2406141791 Beijing XINHUA in English
1131 GMT 24 Jun 91

[Text] Ulaanbaatar, June 24 (XINHUA)—The Mongolian Small Hural (the standing body of the parliament) has adopted laws on privatization of property and bankruptcy of economic units.

At its third session, which ended here last Saturday, the Small Hural adopted 13 laws altogether, which mainly involve in the settlement of the problems in the process of economic reform and the transition of the country's economy into a market one.

This hural session started on March 18 and the next session is scheduled to be held next September.

North Korea

Rallies Mark Day of Struggle Against U.S.

SK2606055291 Pyongyang KCNA in English
0450 GMT 26 Jun 91

[Text] Pyongyang June 26 (KCNA)—Mass rallies and demonstrations were held in Wonsan, Kangwon Province, Haeju, South Hwanghae Province, and Kaesong Municipality on June 24 to mark "June 25, Day of Struggle Against U.S. Imperialism."

The places of rally were packed with working people who gathered there with surging national resentment and hatred against the U.S. imperialists and the No Tae-u military fascist clique who are laying grave obstacles in the way of peace and peaceful reunification on the Korean peninsula, frantically stepping up their moves for a new war, a nuclear war and national division.

Set up there were slogan boards and posters reading "Down with the U.S. imperialist aggressors, the sworn enemy of the Korean people!" "Let us get the nuclear weapons of U.S. imperialism withdrawn from South Korea and turn the Korean peninsula into a nuclear-free, peace zone!" "Let us drive out U.S. imperialism and reunify the country!" "U.S. troops, get out!" etc.

Leading officials of the provinces and representatives of people of all walks of life took the floor at the mass rallies.

Noting that the Korean war provoked by the U.S. imperialists was the most severe war of aggression unprecedented in the history of war, the speakers said that in the grim period when the survival of the nation was at stake the heroic Korean People's Army and entire people under the wise leadership of the respected leader Comrade Kim Il-song, an ever-victorious iron-willed brilliant commander and great military strategist, humbled the pride of U.S. imperialism and won great victory by displaying matchless bravery and mass heroism.

They pointed out that the imperialists who suffered debacle at the Korean war still have not given up their aggressive Korea policy, aggravating tensions on the Korean peninsula and stepping up preparation for another war.

The U.S. imperialists who have become extremely arrogant through the Gulf war sought an "aerial counter-measure" against our non-existent "nuclear facilities" and worked out even a "plan of operational exercise" to "get rid of" them with the South Korean puppets, raising a hue and cry over our "capability of development of nuclear weapons," they charged.

Facts show the heinous aggressive nature of the U.S. imperialists and the No Tae-u group who are trying to render the situation on the Korean peninsula further strained and commit a nuclear attack any moment under the pretext of "nuclear inspection" on us, the speakers said, and warned:

The U.S. imperialists must clearly realize that if they continue to take the road of war, challenging the desire of our people and the world's peaceloving people for peace, they would suffer a more shameful defeat than in the past Korean war.

At the end of the rallies the participants staged demonstrations, shouting slogans bitterly condemning the new provocation moves of the U.S. imperialists and their stooge, the No Tae-u ruling group, and displaying our people's unswerving will for reunification.

Yi Chong-ok, Choe Mun-son Attend

OW2506114091 Pyongyang KCNA in English
1114 GMT 25 Jun 91

[Text] Pyongyang June 25 (KCNA)—Today is the day when the U.S. imperialist aggressors started a criminal war in Korea.

More than 200,000 people held a rally and a demonstration at Kim Il-song Square to mark this day.

Posters and slogan-boards reading "U.S. imperialist aggressors, quit South Korea at once, taking along nuclear weapons and aggression forces!" "Let us get the nuclear weapons of U.S. imperialism withdrawn from South Korea and convert the Korean peninsula into a nuclear-free, peace zone!" "Down with the U.S. imperialists and the No-Tae-u group bent on plunging the territory and people into nuclear scourge!" etc. were posted up in the square.

The rally was attended by Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, and senior officials of the party and the government.

Choe Mun-son, chief secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee, made a speech at the rally.

He said:

The Korean war unleashed by the U.S. imperialists on June 25, 1950 was the most rigorous war of aggression in history. In those grim days when the destiny of the nation was at stake, the valiant Korean People's Army and the entire people, closely rallied behind the respected leader Comrade Kim Il-song, an ever-victorious iron-willed brilliant commander and outstanding military strategist, humbled the arrogant U.S. imperialists and won a great victory by giving full play to matchless bravery and mass heroism.

The U.S. imperialists, still entrenched on the line where they ignited the war, are stepping up preparations to unleash a new war.

The great leader Comrade Kim Il-song said:

"The U.S. imperialists and the South Korean military fascist rulers keep introducing large quantities of military equipment into South Korea and, at the same time, are continually trying to provoke a new war against the northern half of the Republic. As a consequence tension in our country is being aggravated still more and the danger of war is increasing daily."

The U.S. imperialists have deployed more than 1,000 pieces of nuclear weapons in South Korea and staged "Team Spirit" joint military maneuvers every year. They have worked out a "nuclear war scenario" for a surprise forestalling strike at the DPRK and are stepping up the preparations to put it into action, openly declaring that the second Korean war would be a nuclear war.

What is more dangerous is that the U.S. rulers have placed the power to use nuclear weapons on the Korean peninsula in the hands of the commander of the U.S. Forces in South Korea unlike in other parts of the world.

This shows that the outbreak of a nuclear war on the Korean peninsula has assumed practical dimensions beyond the limit of possibility and a nuclear scourge might be inflicted on the Korean people any moment by an accident.

The U.S. imperialists are encouraging the South Korean puppets to deliberately intensify political and military confrontation between the North and the South in order to find an opportunity of igniting a new war on the Korean peninsula.

The way of easing the tensions on the Korean peninsula and saving our nation from the holocaust of nuclear war is to make the U.S. imperialist aggression forces and nuclear weapons, the source of war, withdraw from South Korea.

If a nuclear war broke out on the Korean peninsula, our neighbouring countries, not to speak of our nation and our territory, cannot evade the nuclear holocaust.

Today, the United States has no justification to keep its nuclear weapons in South Korea.

The U.S. demand for "nuclear inspection" in our area is a brigandish outcry reminding us of a thief crying "Stop thief!"

If nuclear inspection is to be made, it must not be made only in our area where there is no nuclear weapon, but be made also of the nuclear weapons shipped into South Korea by the United States.

(?We are) ready to accept nuclear inspection any time, if the United States open the nuclear weapons deployed in South Korea to the public, accept nuclear inspection and give assurances that it will not make a nuclear attack on us.

The U.S. imperialists must promptly take a step for the pullout of the U.S. troops and nuclear weapons from South Korea, looking straight into the unshakable will of

our nation against war and its firm determination to convert the Korean peninsula a nuclear-free, peace zone.

If the U.S. imperialists continue along the road of war, going against the desire of our people and the world peaceloving people for peace, they will suffer a more miserable defeat than in the past Korean war.

Representatives of various social strata said in their speeches that if the U.S. imperialists and the South Korean puppets dare ignite a nuclear war in Korea, failing to draw a lesson from their disgraceful defeat in the past Korean war, they will meet their miserable doom.

The meeting was followed by a mass demonstration.

The demonstrators marched through main streets of the city, chanting slogans denouncing the U.S. imperialists and the South Korean puppets.

Members of Chongryon [General Association of Korean Residents in Japan] delegations and visiting groups and other overseas Koreans joined in the demonstration, holding in their hands posters and slogans reading "Let all Koreans in the North and the South and overseas powerfully turn out to realize the five-point policy of national reunification!" "Koreans in the North and the South and overseas! Let us unite under the banner of reunification!" and so on.

Foreign visitors also marched through the streets together with the demonstrators, holding high posters and slogans reading "U.S. imperialist aggressors, get out of south korea at once!" "Korea is one!" and "Let us frustrate the U.S. imperialists' nuclear war scheme and safeguard world peace and security!"

Choe Mun-son Speaks at Rally

SK2606080191 *Pyongyang Korean Central
Broadcasting Network in Korean
0857 GMT 25 Jun 91*

[Speech by Choe Mun-son, member of Central Committee of Workers Party of Korea, responsible secretary of Pyongyang City Party Committee, and chairman of Pyongyang City People's Committee, at a Pyongyang mass rally and parade in Kim Il-song Plaza on 25 June "Day of Struggle Against U.S. Imperialism"—live]

[Text] Comrades: Today we greet the 41st anniversary of the Day of Struggle Against U.S. Imperialism of 25 June under circumstances in which the entire party and all the people are effecting new upsurges in the revolution and construction under the revolutionary banner of *chuche*, in which the people's struggle for independence, democracy, and reunification is being vigorously waged in South Korea, and in which the antiwar and antinuclear movement for peace is being vigorously waged throughout the world. The Korean war provoked by the U.S. imperialists on 25 June 1950 to make the whole of Korea a colony was the most atrocious war of aggression, unprecedented in history.

In a bid to swallow in one gulp our Republic which had been founded less than two years previously, the U.S. imperialists frantically provoked us, mobilizing the main forces [kipon yongyang] of the U.S. Armed Forces, South Korean puppet army, and hired mercenary troops from the 15 follower countries. They put into the war a total of more than two million troops, over \$20 billion in military expenses, and more than 73 million tons of war supplies, making the frontline and our rear area a sheet of flames and ashes.

The Korean war—which waged a showdown by force of arms between the U.S. imperialists, who claimed to be the strongest in the world, and our young Republic—was a war of aggression which laid bare to the world the brutal nature of the U.S. imperialists. For our people, it was a formidable yet just anti-imperialist liberation war in which they had to overcome arduous trials. In the grim period when the destiny of the nation reached a crisis, the brave Korean People's Army [KPA] and all the people firmly united around the respected and beloved leader Comrade Kim Il-song, the ever-victorious iron-willed commander and the great military strategist, and displayed matchless bravery and mass heroism. Thus, they bashed in the stuck-up nose of U.S. imperialism and achieved the great victory in the war. [applause]

Our people's historic victory attained in the Fatherland Liberation War was the great victory of the respected and beloved leader Comrade Kim Il-song's unique military ideology and his invincible tactics. It was also the great demonstration of the invincible might of our people and the People's Army firmly united as one around the party and the leader. [applause]

Some long 38 years have passed since the U.S. imperialists put the seal on the Korean Armistice Agreement, holding the line [kyeson] on which they had ignited the war. However, there as yet has been no complete peace on the Korean peninsula. Acute tension prevails there, and the danger that a war may break out at any moment increases.

Since the cease-fire, our party and the Government of the Republic have advanced reasonable peace proposals one after another to turn the situation of the unstable cease-fire into a durable peace and have made all possible efforts for their realization. However, the U.S. imperialists, far from affirmatively responding to our peace-loving efforts, have responded to the proposals by aggravating tension in Korea and by accelerating preparation for new war provocation maneuvers, without renouncing their policy of aggression against Korea and their Asian strategy. [shouts of slogans, applause]

The great leader Comrade Kim Il-song has taught: The U.S. imperialists and the South Korean military fascist ruling bunch are not only continuously dragging large quantities of military equipment into South Korea, but constantly perpetrating new war provocation maneuvers against the northern half of the Republic. As a result,

tension in our country has been further aggravated and the danger of war is increasing daily.

The U.S. imperialists, who deployed more than 1,000 nuclear weapons in South Korea and each year conduct the Team Spirit joint military exercise, undisguisedly raved that a second Korean war will be a nuclear war and worked out a nuclear war script for launching a surprise preemptive attack on us. Thus, they are accelerating the preparations for the operation to put this script into action.

The U.S. imperialists built nuclear air force bases and large-scale storage houses for nuclear warheads in many places in South Korea and deployed for real warfare the nuclear missiles with various functions, including Pershings, Tomahawks, (?Lances) and cruise missiles. They are not a nuclear umbrella to protect someone else nor a nuclear shield, but nuclear clubs [haek mongdungi] to threaten and attack us.

If the U.S. imperialists are not trying to attack us with nuclear weapons, there is no need for them to deploy in such a small land as South Korea with less than 100,000 square meters the enormous nuclear weapons with 13,000-odd kilotons of explosive power, which is 1,000 times more than that of the atomic bombs dropped in Hiroshima, Japan, during World War II.

More dangerous is the fact that the U.S. rulers bestowed the right to use nuclear weapons on the commander of the U.S. Forces in South Korea only on the Korean peninsula, unlike other areas of the world.

This shows that the outbreak of a nuclear war on the Korean peninsula has actuality, going beyond the boundary of possibility, and that nuclear calamities could be thrown over the heads of our people at any time even by accident.

To bring about a chance for new war provocation on the Korean peninsula, the U.S. imperialists artificially aggravated the political and military confrontation between the North and the South by instigating the South Korean puppets.

Some time ago, the puppet defense minister raved that he would launch a surprise attack on nuclear facilities in the North by mobilizing commando units. This was intentional absurd remarks undisguisedly exposing the U.S. imperialists' new war provocation plan.

Under the instigation of the U.S. imperialists, the fascist suppression of the democratic reunification forces has been unprecedentedly intensified in South Korea today and political provocations are being perpetrated more atrociously against us.

The South Korean people rose in the struggle to crush the security-oriented rule and overthrow the No Tae-u regime, demanding that the Democratic Liberal Party [DLP] be dissolved. Driven into the corner by the South Korean people's fierce patriotic struggle, the military fascist clique is running amok with anticommunist

smear propaganda by linking their just struggle with us. The military fascist clique kicked off a frenzied whole-sale roundup of patriotic youth, students and people, who rose in the anti-U.S. and anti-fascist struggle, by branding them leftist pro-communist forces, violent forces, and so forth. Not satisfied with this, it again imprisoned 70-year-old Pastor Mun Ik-hwan, a patriotic reunification personage, on charges of National Security Law violation, thus unhesitatingly committing an atrocious violent fascist act.

Such violent fascist acts as brutally repressing patriotic reunification forces and again throwing Pastor Mun Ik-hwan into prison clearly show that the South Korean ruling bunch is not interested, even slightly, in democracy and reunification, but it is only interested in aggravating confrontation between the North and the South and in straining the situation.

In the name of this rally, I sternly denounce the U.S. imperialists who in the past threw calamities of war over the heads of our people and who even today, while pursuing war and division, are bringing the greater danger of nuclear war. I sternly denounce the South Korean military fascist clique which is running amok with North-South confrontation and oppression of people, opposing peace and peaceful reunification of the nation by following the U.S. imperialists. [shouts of slogans and applause]

Today, the way to ease tension on the Korean peninsula and to rescue our people from calamities of nuclear war is to force the U.S. imperialist aggressor forces and nuclear weapons—the source of war—to withdraw from South Korea.

Eliminating the source of nuclear war from the Korean peninsula is linked with the existence of our people and is an indispensable demand for defending peace in Asia and the world.

If nuclear war breaks out on the Korean peninsula, our people and our land, and even neighboring countries, could not avoid the calamities of from nuclear war. Today, it is totally unjustifiable for the United States to keep its nuclear weapons in South Korea.

As for the issue of nuclear inspection with regard to us, which is loudly talked about by the United States, this is a brigandish act, similar to that of a thief yelling "Stop thief!"

If one wants to conduct nuclear inspection, one should inspect the nuclear weapons which the United States has dragged into South Korea, instead of trying to inspect us, who have no nuclear weapons.

The act of insisting on a unilateral nuclear inspection in regard to us while covering up its nuclear weapons deployed in South Korea as something sacred and inviolable clearly shows the shameless nature of the U.S. imperialists who are accustomed to dominating others from a position of strength.

If the United States reveals to the public the nuclear weapons it deploys in South Korea, accepts nuclear inspection and guarantees that it will not attack us with nuclear weapons, we are ready to accept nuclear inspection at any time.

I recognize that the joint statement of political parties and public organizations in the Republic, which opposed and denounced the U.S. imperialists' nuclear threat against us and strongly called for turning the Korean peninsula into a nuclear-free zone, reflects the unanimous aspirations of all the people in the North and the South and of the peaceloving people in Asia and the world. Availing myself of this opportunity, in the name of this rally, I fully support and agree with this statement. [applause]

Looking straight at the iron-clad will and firm determination of our people to oppose war and turn the Korean peninsula into a nuclear-free peace zone, the U.S. imperialists should promptly take steps to withdraw U.S. troops and nuclear weapons from South Korea.

The U.S. imperialists must clearly know that if they, challenging the aspirations of our people and the world's peaceloving people for peace, continuously embark upon the road toward war, they will suffer a harsher defeat than suffered during the Korean war.

The South Korean people from all walks of life should unanimously rise in the pan-national struggle to make U.S. troops and nuclear weapons withdraw from South Korea to safeguard peace on the Korean Peninsula and to rescue the people from nuclear calamities. They should more vigorously wage the antiwar, antinuclear peace movement.

By ending the fascist security-oriented rule of the No Tae-u group which is the culprit of the U.S. imperialists for their policy of war, the South Korean youth, students, and people should more vigorously fight to realize genuine democracy and to expedite the reunification of the nineties. [applause]

All the people in the northern half of the Republic are faced with the glorious and sacred task to remove the danger of war created in the nation, to more highly display the superiority of popular mass-centered socialist system of our own style, and to expedite the cause of reunification of the nineties.

Upholding the banner of socialism—the chuche revolutionary banner—all party members and workers should create new innovations in all domains and all units and make all effort to defend and further glorify the socialist system of our own style. [applause]

Our people are struggling to accomplish the socialist cause by upholding the great leader Comrade Kim Il-sung and following the refined leadership of dear leader Comrade Kim Chong-il. The future of our people is bright. [applause]

Let us all more vigorously struggle for the complete victory of socialism and for hastening reunification in the 1990's after single-mindedly uniting around the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il. [applause, shouting of slogans]

Youth Hold Anti-U.S. 'Indignation Meeting'

SK2606060191 *Pyongyang KCNA in English*
0517 GMT 26 Jun 91

[Text] Kaesong June 25 (KCNA)—A national indignation meeting of youth and students to mark "June 25, Day of Struggle Against U.S. Imperialism", was held Tuesday in Pyonghwa-ri in Panmun County, Kaesong Municipality, a city adjacent to the Military Demarcation Line which artificially divides Korea into North and South.

A report was made by Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, and representatives of young people of all strata took the floor at the meeting.

The reporter and speakers said the only way to ease the tension on the Korean peninsula and save our nation from disasters of nuclear war is to get the U.S. imperialist aggression forces and nuclear weapons, the source of war, withdrawn from South Korea at once. They branded the U.S. imperialists' claim for "nuclear inspection" on the North is a robber-like logic reminding one of a thief crying "Stop thief!"

The U.S. imperialists must clearly realize that if they continue to take the road of nuclear war, challenging the desire of our people and the world's peaceloving people for peace, they would sustain a more ignominious defeat than in the past Korean war and they would get nothing but their own corpses and death, they warned.

Chi Yong-chun, a South Korean youth who came over to the northern half of Korea, said in his speech our nation cannot live, divided into two, any longer.

He called on the people in the North and the South to make a general march, united as one to blow up the concrete wall of division at any cost and bring earlier the dawn of national reunification when the 70 million fellow countrymen will hug each other in the '90s.

An indignation poem "Korea Indicts" was recited at the meeting.

The report and speeches were frequently interrupted by vigorous slogans bitterly condemning the nuclear war provocation moves of the U.S. imperialists and their stooge, the No Tae-u fascist clique, and demonstrating our people's will for reunification and songs rang out there.

Revenge Resolution Read to School Children

SK2606031391 *Pyongyang KCNA in English*
1042 GMT 25 Jun 91

[Text] Pyongyang June 25 (KCNA)—A national school children's meeting of revenge was held on June 24 in Sinchon County, South Hwanghae Province to expose and denounce the brutal atrocities of the U.S. imperialists and the South Korean military fascist ruling group on the occasion of "June 25, Day of Struggle Against U.S. Imperialism".

The speakers said that during the war the U.S. imperialists brutally and indiscriminately bombed and bombarded our peaceful towns and villages to reduce them to ashes and committed the thrice-cursed murder of innocent people shooting burning and burying them alive at random in every the northern half of the country during their temporary occupation. [sentence as received]

All these facts clearly show that the U.S. imperialist aggressors are the most diabolic human butchers in the world and the sworn enemy of our people, they said, and stressed: The Korean people will revenge upon the U.S. imperialist aggressors a hundred and thousand fold to work off a grudge.

A resolution of revenge was read out at the meeting.

After the meeting the participants marched along the street with their burning determination to smash the new war provocation moves and anti-DPRK campaign of the U.S. imperialists and the No Tae-u ruling group and achieve national reunification.

Museum Exhibits U.S. 'Aggression' 'Evidences'

SK2606020591 *Pyongyang KCNA in English*
1014 GMT 25 Jun 91

["Witness of History Indicts Brutal Massacre by U.S. Imperialists"—KCNA headline]

[Text] Pyongyang June 25 (KCNA)—The U.S. imperialists instigated the South Korean puppet army to start an armed invasion of the Democratic People's Republic of Korea today 41 years ago.

This day is commemorated every year as "Day of June 25 Struggle Against U.S. Imperialism" in Korea.

During the three-year war the U.S. imperialist aggressors indiscriminately bombed all towns and villages and committed massacre in cold blood, inflicting immeasurable sufferings upon our people.

The Sinchon Museum in Sinchon-up Sinchon County situated in the center of South Hwanghae Province remains a witness which shows part of the U.S. imperialists' barbarous massacre.

Put on display in the first section of the museum which was opened on June 25, 1960, are materials on the U.S.

imperialists' aggression and plunder of Korea for nearly 80 years before the liberation (1945) and on the struggle of our people against them.

Exhibited next are materials on the liberation of Korea and the efforts of our people for the building of a new motherland, on the war provocation manoeuvres of the U.S. imperialists who occupied South Korea in September 1945 and their colonial subjugation policy in South Korea.

Also on display are materials on the crimes of the U.S. imperialists who ignited a war of aggression in Korea and materials and evidences on their indiscriminate bombing and use of germ and chemical weapons to slaughter peaceful people.

The U.S. imperialist aggressors massacred more than 35,300 people or nearly 25 percent of the total population of Sinchon County in a most brutal way during about 50 days of their occupation of the county. Among the murdered were over 16,200 children, old people and women.

Exhibited in the museum are materials on our people's struggle against the aggressors and on the defeat of the U.S. imperialists.

Located around the museum are the air-raid shelter of the county party committee into which the U.S. imperialist aggression troops herded about 900 people and burned them to death and two powder magazines where 400 mothers and 102 children were burned to death. And there are a grave of 5,600 patriots, a grave of 400 mothers and a grave of 102 children.

Those who visit here renew their determination to revenge upon the U.S. imperialist aggressors a hundred and thousand fold, shaking with rage at their thrice-cursed murderous atrocities.

Editorials on Anniversary of Korean War Noted

*SK2606005991 Pyongyang KCNA in English
0958 GMT 25 Jun 91*

[Text] Pyongyang June 25 (KCNA)—Papers here today carry editorials on the lapse of 41 years since the U.S. imperialist aggressors unleashed a criminal war in Korea (June 25, 1950).

In an editorial entitled "U.S. Imperialists Must Stop Nuclear War Racket and Immediately Quit South Korea" NODONG SINMUN says:

The Korean people's struggle against the invasion by the U.S. imperialists was a rigorous fight decisive of the rise and fall of the nation and a noble anti-imperialist, anti-U.S. struggle to destroy the allied forces of the U.S.-led world reaction, defend the freedom and independence of the motherland and safeguard peace in Asia and the world.

Under the outstanding and tested guidance of the respected leader Comrade Kim Il-song, an ever-victorious iron-willed brilliant commander and great military strategist, the Korean people and People's Army fought a heroic fight, defeated the U.S. imperialist aggressors and won a historic victory in the Fatherland Liberation War. This victory was a great demonstration of the invincible might of the Korean people and People's Army.

It is 38 years since the ceasefire, but the danger of a new war is increasing on the Korean peninsula due to the U.S. imperialists' moves to unleash another war of aggression.

Very ill-boding is the anti-DPRK campaign launched by the United States in conspiracy with its satellite nations and puppets, alleging that the DPRK is rejecting "nuclear inspection" because it is "developing nuclear weapons."

If a war broke out on the Korean peninsula, it would soon develop into a nuclear war and bring immeasurable disasters to the Korean nation in the North and the South as well as the people of our neighbouring countries and other Asian countries.

The editorial expresses the belief that the peaceloving people of the world will continue to express support and encouragement to the Korean people's struggle to avert war, preserve peace and achieve the independent and peaceful reunification of the country.

MINJU CHOSON carries an editorial entitled "Let Us Check and Foil the New War Provocation Moves of the U.S. Imperialists and South Korean Puppets", stressing that with no manoeuvrings can they block the Korean people's struggle to build a unified country.

'Information' Issued on U.S. Weapons in South

*SK2506140391 Pyongyang KCNA in English
0452 GMT 25 Jun 91*

[Text] Pyongyang June 25 (KCNA)—The Korean Anti-Nuke Peace Committee on June 24 issued an information on the deployment of huge nuclear weapons in South Korea and continued nuclear threat by the United States.

The information in its first part points out that South Korea is a nuclear arsenal of the United States.

It says:

The United States has deployed more than 1,000 nuclear weapons of different types in South Korea with an area of less than 100,000 square kilometers.

Ronald Dellums, a member of the House of Representatives of the U.S., said the United States has 1,000 nuclear weapons and 54 nuclear-capable planes in South Korea. ("HAPDONG" of South Korea, June 3, 1975)

Laroque, director of the U.S. Defense Information Centre, said that a mere glance is enough to see that there are 1,000 tactical nuclear weapons in South Korea. In addition to them, we should take into account emergency transport of nuclear weapons by aircraft carriers and "B-52" strategic bombers from Guam. (Japanese magazine GENDAI, October 1975)

Laroque told a subcommittee of the Atomic Energy Joint Committee of both Houses of U.S. Congress in September 1975 that U.S. nuclear warheads and nuclear shells in South Korea are kept in circular concrete storages. (Washington October 6, 1975 "AP")

The Japanese magazine GUNJI MINRON No. 27, 1982 said:

Among the weapons in South Korea, nuclear mines are deployed in the area along the Military Demarcation Line. The Second Engineering Battalion of the U.S. Second Division has a special unit in charge of nuclear mines.

Nuclear shells are deployed in the Field Artillery and Air Defence Battalions of the U.S. Second Division, the Fourth Missile Unit and the 38th Anti-Aircraft Artillery Brigade, and there are chemical, biological and radioactive warfare training setups in Tongduchon (U.S. Second Division). Chemical biological and radioactive detachments took part in the "Team Spirit 81". The ground-based nuclear weapons are mostly deployed in the area near the Military Demarcation Line and their storage and control facilities are located in Taegu (the 19th Support Unit).

Nuclear bombs are deployed in Kunsan and Osan Bases and Kwangju serves as the storage, logistic and control base.

The information says that the United States is shipping latest-type nuclear weapons to South Korea.

Former U.S. Defense Secretary Weinberger told a press conference concerning the deployment of neutron bombs that their deployment in South Korea cannot be excluded. (the South Korean KYONGHYANG SINMUN, August 2, 1981)

U.S. military analyst Jack Anderson said that the U.S. Defense Department was producing neutron shells for 8 inch howitzers of the South Korean Army and stepping up the plan of producing neutron shells for 155 mm guns for the purpose of effective use of neutron bombs in South Korea. (the South Korean CHUNGANG ILBO, October 21, 1983)

Joseph Abbado, member of the U.S. House Appropriations Committee, in his speech on the deployment of Pershing missiles in South Korea at a plenary meeting of the House of Representatives on September 30, 1975 said that "We are talking about the transfer of a new missile unit. This missile will shortly be deployed in South Korea, too." (Japanese Jiji Press, Washington October 3, 1975).

The United States is trying to keep hold on South Korea as its nuclear forward base.

Former U.S. Defense Secretary Weinberger at a press conference after the 16th "South Korea-U.S. Annual Security Council Meeting" on May 10, 1984 said that there was no change in the U.S. policy of continuously protecting South Korea with a more modernised nuclear umbrella. (The South Korean TONG-A ILBO, May 11, 1984)

U.S. Assistant Secretary of State Solomon officially expressed the U.S. stand against the denuclearisation of the Korean peninsula on March 6, 1991, saying that "Because the demand for the withdrawal of U.S. nuclear weapons in reward for any measure might do harm to the 'nuclear deterrent', we oppose it." (the South Korean HANGYORE SINMUN, March 8, 1991)

The information cites data to expose the increasing nuclear threat of the United States. It notes that the United States openly announced its intention to use nuclear weapons deployed in South Korea any moment.

Former U.S. Defense Secretary Schlesinger said a nuclear attack would be made on the heart of North Korea in the event of contingency on the Korean peninsula. (Japanese Magazine GUNJI MINRON, May, 1982).

Weinberger, former U.S. defense secretary, said at a TV interview on August 10, 1981, that the areas for the use of neutron bombs cover not only the European region but also the Asian region including Korea. (South Korean newspaper CHOSON ILBO, August 11, 1981).

The information notes that the United States transferred the power to use nuclear weapons to local commanders.

Elsberg, a former staffer of the U.S. Defense Department, said June, 1981, the power to press the button of nuclear weapons was transferred from the U.S. President to Army commanders including the commander of the U.S. Forces in the Pacific and, as a result, many fingers were hanging on the button of nuclear weapons in the Pacific region. (Japanese MAINICHI SHIMBUN, June 9, 1981).

Edward Meyer, former U.S. Army chief of staff, said on January 22, 1983, that local field commanders can use nuclear weapons under the command of the U.S. Forces commander in South Korea and that to decide whether nuclear weapons will be used or not in Korea is a less complicated matter than the case of the NATO which must undergo a consultation of 15 countries. (South Korean newspaper TONG-A ILBO, January 24, 1983).

The information points to the ceaseless nuclear war games of the United States.

"The United States annually stages military exercises in South Korea simulating a nuclear war actually against the background of the deployment of nuclear weapons.

An instance of this can be seen in the 'Team Spirit,' U.S.-South Korea joint military exercises which have been staged annually in the areas of South Korea from the spring of 1976. The exercises involve 'Midway,' a carrier belonging to the Seventh Fleet, F-15, F-16 and F-111 fighter-bombers, B-52 strategic bombers and E-4b nuclear warfare commanding planes. (Japanese magazine TOITSU HYORON, October, 1982).

The information cites data to prove that the U.S. nuclear weapons deployed in South Korea are the source of menace to peace and Security in Korea and the rest of Asia.

Ex-U.S. President Eisenhower said on March 30, 1953: We are to go over to a more practical action in Korea, we should escalate the war beyond Korea and use an atomic bomb. Diplomatic document of the U.S. State Department "1953-1954 international relations of the United States").

The May, 1982, issue of the Japanese magazine GEN-DAINOME, commenting on the nuclear strategy of the United States, wrote that "The United States does not intend to make Europe a theatre of nuclear war but intends to turn Asia, Korea in particular, into a nuclear battlefield at a time when either Japan or China comparatively feels at ease.

The magazine TOITSU HYORON in its June issue in 1982 said should a nuclear war break out in the world it would do in Korea, above all, and Japan cannot help being involved in the war, whether she likes it or not.

The July 26, 1976, issue of the U.S. paper CHRISTIAN SCIENCE MONITOR said in case another war should break out on the Korean Peninsula its influence would perhaps spread to a global war involving even nuclear weapons. (South Korean Radio Tongyang, July 27, 1976).

The information says:

The United States' clamor about the DPRK's non-existent nuclear facilities" is intended to veil the dangerous nature of its nuclear weapons deployed in South Korea and justify its nuclear policy which is being promoted in Asia with the Korean peninsula as its stronghold.

If the danger of nuclear war is to be removed from the Korean peninsula and peace and security in Asia and the rest of the world be ensured, the United States must withdraw all its nuclear weapons from South Korea without delay.

More on First Part

SK2606000091 Pyongyang KCNA in English
0515 GMT 25 Jun 91

[Text] Pyongyang June 25 (KCNA)—The Korean Anti-Nuke Peace Committee on June 24 issued an information under the title "On the Massive Deployment of

Nuclear Weapons in South Korea and Continued Nuclear Threat by the United States in Asia", citing some data of the deployment of nuclear weapons in South Korea and nuclear war preparations by the United States.

The information in its first part points out that South Korea is a nuclear arsenal of the United States.

It says:

The United States has deployed more than 1,000 nuclear weapons of different types in South Korea with a not big area of less than 100,000 square kilometers.

Ronald Dellums, a member of the House of Representatives of the U.S., said the United States has 1,000 nuclear weapons and 54 nuclear-capable planes in South Korea. ("HAPDONG" on South Korea, June 3, 1975)

Laroque, director of the U.S. Defense Information Centre, said that a mere glance is enough to see that there are 1,000 tactical nuclear weapons in South Korea. In addition to them, we should take into account emergency transport of nuclear weapons by aircraft carriers and "B-52" strategic bombers from Guam. (Japanese magazine GENDAI, October 1975)

Laroque told a subcommittee of the Atomic Energy Joint Committee of both houses of U.S. Congress in September 1975 that U.S. nuclear warheads and nuclear shells in South Korea are kept in circular concrete storages. (Washington October 6, 1975 "AP")

The Japanese magazine SEKAI September 1985 said:

South Korea is the only forward area in Asia where the U.S. has deployed nuclear weapons.

- Seoul: The U.S. Forces Command in South Korea has facilities of a "military command and control mechanism of global scale" including nuclear capability program and commanding facilities including "emergency action equipment" for receiving nuclear attack orders.

- Tongduchon: The U.S. Second Infantry Division has assumed the duty of operating nuclear field artillery pieces and nuclear mines. (The Second Engineering Battalion is in charge of the operation of nuclear mines)

- Taejon: The main force of the U.S. Army nuclear weapon support unit is stationed. Nuclear bombs are stockpiled in Kunsan Airforce Base.

- Uijongbu: The artillery command of the U.S. Second Infantry Division has two battalions of "M-198" 155 mm howitzers and one battalion of "M-109" 155 mm howitzers and is equipped with the "emergency action equipment" for receiving nuclear attack orders and nuclear weapon exercise facilities. The Sixth Battalion of the 37th Field Artillery unit (equipped with 8 inch howitzers) has nuclear weapons including "emergency action equipment."

-Tobongsan: The Tobongsan ammunition centre is a frontline storage of nuclear weapons of the U.S. Second Infantry Division.

- Osan: The U.S. 51st Tactical Combat Flying Corps has nuclear fighter-bombers, "emergency action equipment" and nuclear bombing exercise ground.

- Kunsan: The U.S. 8th Tactical Combat Flying Corps has two flying squadrons of nuclear-capable F-16 fighter-bombers. There are nuclear arsenals of the U.S. Army and Airforce in South Korea. (60 nuclear bombs, 40 nuclear shells for 8 inch howitzers, 30 nuclear shells for 155 mm howitzers and 21 nuclear mines)

Taegu: The 497th Tactical Combat Flying Corps has nuclear-loaded F-4E planes.

The United States is shipping latest-type nuclear weapons to South Korea.

Former U.S. Defense Secretary Weinberger told a press conference concerning the deployment of neutron bombs that their deployment in South Korea cannot be excluded. (the South Korean KYONGHYANG SINMUN, August 2, 1981)

U.S. military analyst Jack Anderson said in May 1983 that the U.S. Defense Department was producing neutron shells for 8 inch howitzers of the South Korean Army and stepping up the plan of producing neutron shells for 155 mm guns for the purpose of effective use of neutron bombs in South Korea. (the South Korean CHUNGANG ILBO, October 21, 1983)

Joseph Abbado, member of the U.S. House Appropriations Committee, in his speech on the deployment of Pershing missiles in South Korea at a plenary meeting of the House of Representatives on September 30, 1975 said that "We are talking about the transfer of a new missile unit. This missile will shortly be deployed in South Korea, too." (Japanese Jiji Press, Washington October 3, 1975).

The United States is trying to keep hold on South Korea as its nuclear forward base.

Senator Robert Dole, who ran for U.S. vice-president on the Republican ticket, told a press conference on October 17, 1976 that "Carter's proposal for the withdrawal of U.S. nuclear weapons from South Korea would be an insult to our allies and a pleasure to our enemy." (Washington October 17, 1976 "UPI")

Former U.S. Defense Secretary Brown said that in case a war breaks out in Korea, big powers might be involved and, then, the United States would place South Korea under its "nuclear umbrella." (Washington May 1, 1978 "AP")

U.S. Assistant Secretary of State Solomon officially expressed the U.S. stand against the denuclearisation of the Korean peninsula on March 6, 1991, saying that "Because the demand for the withdrawal of U.S. nuclear

weapons in reward for any measure might do harm to the nuclear deterrent, we oppose it." (the South Korean HANGYORE SINMUN, March 8, 1991)

Second Part of 'Information'

SK2506141791 Pyongyang KCNA in English
0531 GMT 25 Jun 91

[Text] Pyongyang June 25 (KCNA)—The Korean Anti-Nuke Peace Committee in the second part of its information under the headline "On the Massive Deployment of Nuclear Weapons in South Korea and Continued Nuclear Threat by the United States in Asia" sheds a revealing light on the ever growing U.S. nuclear threat to the Democratic People's Republic of Korea.

The United States openly announced its intention to use nuclear weapons deployed in South Korea any moment.

The August 6, 1982, issue of the Japanese magazine ASAHI JOURNAL in an article entitled "The United States Prepared Atomic Bombing on DPRK Three Times" wrote:

According to inside data of the U.S. CIA and memoirs of the White House VIPs, the United States prepared atomic bombing on the DPRK three times.

The first attempt was in December, 1950, half year after the start of the Korean war. On the 30th of November that year, President Truman accepted the advice of Eisenhower and officially announced that he was 'considering using an atomic bomb.' Thus, nuclear weapons were carried clandestinely aboard the U.S. carrier which was anchoring in the sea off Inchon in December 1950, and a carrier-based planes loaded with nuclear warheads was waiting for a final order to take off [sentence as received].

It was in the spring of 1953 that the United States pushed ahead in real earnest with its plan for the use of nuclear weapons on the Korean front for the second time.

President Eisenhower who took the place of Truman in the White House in January that year, when the Korean war was at its height, issued a statement to the press in the early period of his inauguration saying the use of atomic bombs in Korea would not be excluded.

The third plan of the United States for nuclear attack in Korea was prepared by the top echelon under the Nixon administration. On the 15th of April, 1969, EC-121, a U.S. electronic reconnaissance plane, was shot down by the Korean People's Army while flying above the DPRK for an espionage purpose. Immediately after it, Kissinger the assistant advised President Nixon to make a retaliatory bombing on the Korean People's Army and they planned to approve the use of atomic bombs in case North Korea made a counterattack."

Former U.S. President Nixon said at an emergency National Security Meeting that it was decided to approve

the use of atomic bombs in case North Korea makes a counterattack. (Japanese magazine ASAHI JOURNAL, August 6, 1982).

Former U.S. Defense Secretary Schlesinger threatened that a nuclear attack would be made on the heart of North Korea in the event of contingency on the Korean peninsula. (Japanese magazine GUNJI MINRON, May, 1982).

Former U.S. Defense Secretary Weinberger said in a TV interview on August 10, 1981, that the areas for the use of neutron bombs involve not only the European region but also the Asian region including Korea. (South Korean newspaper CHOSON ILBO, August 11, 1981).

The United States transferred the power to use nuclear weapons to local commanders.

Edward Meyer, former U.S. Army chief of staff, said on January 22, 1983, that local field commanders can use nuclear weapons under the command of the U.S. Forces commander in South Korea and that to decide whether nuclear weapons will be used or not in Korea is a less complicated matter than the case of the NATO which must undergo a consultation of 15 countries. (South Korean newspaper TONG-A ILBO, January 24, 1983).

The United States is ceaselessly staging nuclear war games.

Foreign sources said as regards the nuclear war games staged by the United States in South Korea:

In October, 1960,	nuclear war maneuvers (involving U.S. Forces present in South Korea and South Korean Army, 150,000 strong, simulating a breakthrough on the 38th Parallel with nuclear weapons).
In October, 1961,	U.S.-South Korea joint maneuvers (involving four frontline divisions of the South Korean Army and U.S. Fourth missile unit, nuclear war game in the area of the South Han River).
In January, 1968,	Pueblo Incident (nuclear-loaded F-4 fighter-bombers make an emergency sortie).
In August, 1976,	Panmunjom Incident (F-111 and B-52 loaded with nuclear warheads, nuclear-armed Carrier Midway and nuclear-powered submarine pollack massed around the Korean peninsula).

"The United States annually stages military exercises in South Korea simulating a nuclear war actually against the background of the deployment of nuclear weapons.

An instance of this can be seen in the 'Team Spirit,' U.S.-South Korea joint military exercises which have been staged annually in the areas of South Korea from the spring of 1976. The exercises involve 'Midway,' a carrier belonging to the Seventh Fleet, F-15, F-16 and F-111 fighter-bombers, B-52 strategic bombers and E-4b nuclear warfare commanding planes. (Magazine TOITSU HYORON, October, 1982).

Laroque, a retired U.S. admiral, said in March 1983 that the U.S. strategic command was participating for the first time in the "Team Spirit 83" U.S.-South Korea joint military exercises involving enterprise and simulating a nuclear war.

Third Part of 'Information'

SK2606003991 Pyongyang KCNA in English
0546 GMT 25 Jun 91

[Text] Pyongyang June 25 (KCNA)—The Korean Anti-Nuke Peace Committee in the third part of its information entitled "On the Massive Deployment of Nuclear Weapons in South Korea and Continued Nuclear Threat by the United States in Asia" said that the U.S. nuclear weapons deployed in South Korea is the cause of threat to peace and security in Korea and Asia.

It says:

Ex-U.S. President Eisenhower said on March 30, 1953: If we are to go over to a more practical action in Korea, we should escalate the war beyond Korea and use an atomic bomb. (Diplomatic document of the U.S. State Department "1953-1954 International Relations of the United States").

The May, 1982, issue of the Japanese magazine GEN-DAINOME, commenting on the nuclear strategy of the United States, wrote that "The United States does not intend to make Europe a theatre of nuclear war but intends to turn Asia, Korea, in particular, into a nuclear battlefield at a time when either Japan or China comparatively feels at ease".

The magazine TOITSU HYORON in its June issue in 1982 said should a nuclear war break out in the world it would do in Korea, above all, and Japan cannot help being involved in the war, whether she likes it or not.

U.S. lawyer Stanley Faulkner said: The United States has turned South Korea into the largest nuclear base in the Far East by illegally bringing more than 1,000 pieces of nuclear weapons there. It is clear that the maintenance of such huge U.S. Armed Forces and nuclear weapons in South Korea with an area of about 100,000 square kilometres is not to "protect" it but attack the northern half of Korea and other countries.

The Korean Anti-Nuke Peace Committee stresses:

The United States' clamor about the DPRK's non-existent "nuclear facilities" is intended to veil the dangerous nature of its nuclear weapons deployed in South Korea and justify its nuclear policy which is being promoted in Asia with the Korean peninsula as its stronghold.

If the danger of nuclear war is to be removed from the Korean peninsula and peace and security in Asia and the rest of the world be ensured, the United States must withdraw all its nuclear weapons from South Korea without delay.

U.S., South Military Exercises Reported

*SK2606014491 Pyongyang KCNA in English
1006 GMT 25 Jun 91*

[“War Moves of U.S. Imperialists and Puppets Against North”—KCNA headline]

[Text] Pyongyang June 25 (KCNA)—The South Korean puppets on June 18 sent 20 armed helicopters up to the sky above an area near the Military Demarcation Line [MDL] to stage a provocative war exercise and made heavy tank groups move toward the MDL, firing shells, and they fired more than 40 105 mm gun shells into the opposite side of the Imjin River, according to recent military sources.

On June 13, four helicopters carrying scores of high-ranking officers landed on a height near the Demilitarized Zone (DMZ) for an on-site reconnaissance and then committed an allround reconnaissance of the front-line area of the North side.

On June 7, the U.S. imperialists staged a joint operation exercise and an exercise of mid-air refueling in the sky above Asan Bay and other areas of South Korea with the mobilization of a total of more than 560 fighter planes including nuclear-capable fighter-bombers and assault planes. At the same time, they sent a U-2 high-altitude strategic reconnaissance plane and reconnaissance planes of the army for an intensive aerial espionage on the depths and frontline areas of the North side.

These days they are staging electronic warfare exercises for attack operations in the event of “contingency” together with the puppets near the DMZ of the Military Demarcation Line by introducing into South Korea huge special combat forces from the U.S. mainland. And they deployed Pacific-based special combat planes in U.S. air bases in South Korea and are holding aerial special operation exercises in a planned way.

South's 23 Jun Military Exercises

*SK2606030391 Pyongyang KCNA in English
1033 GMT 25 Jun 91*

[Text] Pyongyang June 25 (KCNA)—The South Korean puppets committed a military provocation by massively deploying armed forces near the Military Demarcation Line on June 23, according to military sources.

That day 30 heavy tanks and 68 trucks carrying a large number of armed personnel and pulling various types of artillery pieces appeared at a point of Tonggu-ri, Yonchon County, took a position and committed a hostile act of getting on our nerves.

On the same day, groups of 105 mm guns which were deployed at Chongja-ri, Paju County, threatened us by firing volleys of shells toward the Panjong-ri line [as received], Yonchon County.

South Korean puppet army troops took the position of Mt. Paekhak near Pangmok-ri, Paju County, adjacent to

the Military Demarcation Line that day and fired scores of 12.7 mm large-calibre machinegun bullets.

And formations of armed helicopters of the puppet army staged a military exercise aimed at infiltrating into the depths of the North side in the skies above Paekryon-ri, Chomwon-ri and Pangmok-ri, Paju County, on the same day.

U.S. South 24 Jun Exercises

*SK2606045791 Pyongyang KCNA in English
0442 GMT 26 Jun 91*

[Text] Pyongyang June 26 (KCNA)—The U.S. imperialists on June 24 sent scores of Pacific-based nuclear-capable fighter-bombers and other types of warplanes to the sky above the west coast of South Korea to stage an air and ground joint strike exercise aimed at a surprise attack on the northern half of Korea and a mid-air refuelling exercise in coordination with aeroplanes belonging to the U.S. forces present in South Korea and the puppet airforce, according to military sources.

Mobilized in the exercises were more than 250 military planes.

That day the South Korean puppets held various war games getting on our nerves in the areas along the Military Demarcation Line.

A group of heavy tanks of the puppet army ran riot in an exercise at Kumpa-ri, Paju County, firing some 30 shells.

Some artillery carriages pulling 105 mm guns made a fuss, moving from Tonggu-ri, Yonchon County, to Kuup-ri, Paju County, and five armed helicopters staged an aerial war exercise, making repeated flights from Hyonga-ri, Yonchon County, to Mago-ri, an area adjacent to the Military Demarcation Line.

A total of more than 550 planes were mobilized in the exercises in the sky above South Korea on June 24 alone.

This well shows how desperately the U.S. imperialists and the South Korean puppets are trying to increase the tensions on the Korean peninsula.

News Analyst on South's 'Anti-Communist Vigilance'

*SK2606055991 Pyongyang KCNA in English
0455 GMT 26 Jun 91*

[Text] Pyongyang June 26 (KCNA)—The South Korean authorities are now kicking up dust, setting the period from June 20 to 29 as “a period of report of spies and intensive publicity.” They say the “period” is intended to “sharpen anti-communist vigilance of the people slackened” with the expansion of the North-South exchange and enhance “consciousness of report” to cope with seditious acts of the leftist forces.”

Commenting on this, a news analyst of NODONG SINMUN today says:

The behaviour of the South Korean ruling quarters brings into relief once again their ulterior intention to put down with bayonet the people's growing fervor for reunification through alliance with communism and the North and pursue North-South confrontation and war under the pretext of fictitious "threat from the North".

They annually hold such functions as "anti-communist lectures" and "anti-communist exhibitions" in all areas on the occasion of June 25 in a desperate bid to conceal their true color as the war criminal and justify the new war provocation moves.

The current anti-communist racket of the puppets draws particular attention. Because, as they confessed, it is focussed on "sharpening anti-communist vigilance" and "reporting seditious acts of the leftist forces".

In crying for "self-surrender of leftist offenders" and "report of those who praise the North implicitly" during the period of "report of spies", the puppets chiefly seek to suppress at random those calling for independence, democracy and reunification by branding them as "leftist pro-communists" or "spies".

It is a treachery that can never be pardoned for the No Tae-u group to try to indiscriminately crack down upon the people who aspire after reunification, while pursuing confrontation and war between the North and the South and division against the fellow countrymen's desire for peace and reunification.

Indonesian Foreign Minister Alatas Visits

*SK2206114191 Pyongyang KCNA in English
1058 GMT 22 Jun 91*

[Text] Pyongyang June 22 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from Ali Alatas, foreign minister of the Republic of Indonesia, on an official goodwill visit to Korea.

The gift was handed to an official concerned by Foreign Minister Ali Alatas.

Alatas, Delegation Depart

*SK2406073891 Pyongyang KCNA in English
0457 GMT 24 Jun 91*

[Text] Pyongyang June 24 (KCNA)—Ali Alatas, foreign minister of the Republic of Indonesia, and his party left here on June 23 after paying an official goodwill visit to Korea at the invitation of the government of the Democratic People's Republic of Korea.

They were seen off at the airport by Vice-Premier and Foreign Minister Kim Yong-nam and the Indonesian Ambassador to Korea.

During their stay in Korea they went round the Tower of the Chuche Idea, the Pyongyang metro, the Revolutionary Martyrs' Cemetery on Mt. Taesong and various other places.

Reportage on Visit of Seychelles President

Tours Pyongyang Sites

*SK2206103391 Pyongyang KCNA in English
1008 GMT 22 Jun 91*

[Text] Pyongyang June 22 (KCNA)—France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, on a state visit to Korea, and his entourage visited Chongchun Street, the May Day Stadium and the Oryu cooperative farm on June 22.

The guests were accompanied by Yon Hyong-muk, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and premier of the Administration Council, and officials concerned.

They went round gymnasiums in Chongchun Street, a modernly-equipped sports and cultural complex, and expressed deep impressions of its grand scale and peculiar architectural style.

Then, they went to the May Day Stadium.

While seeing the interior of the stadium with keen interest, they were told that the gigantic comprehensive stadium with 150,000 seats was built with domestic designing, technique and materials and is rendering good services to the sports and culture of the people.

They visited the Oryu co-op farm in the suburbs of Pyongyang, where they saw the vegetable plots ruling good [as received] and vegetables harvested.

Kim Il-song Hosts Reception

*SK2306083291 Pyongyang KCNA in English
0804 GMT 23 Jun 91*

[Text] Pyongyang June 23 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, today greeted France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front.

President Kim Il-song exchanged warm greetings with President France Albert Rene and hugged him.

A welcome function took place.

The national anthems of the Republic of Seychelles and the DPRK were played.

President France Albert Rene, in company with President Kim Il-song, reviewed a guard of honour of the three services of the Korean People's Army.

Present at the welcome function were Sylvette Frichot, minister of information, culture and sports and secretary for organization and mobilization of the Central Committee of the Seychelles People's Progressive Front, and others.

Yi Chong-ok, member of the Political Bureau of the C.C., WPK and vice-president, and officials concerned were also present.

Kim Il-song, Rene Holds Talks

SK2306081491 *Pyongyang KCNA in English*
0757 GMT 23 Jun 91

[Text] Pyongyang June 23 (KCNA)—Talks were held today between Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, and France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front.

Present at the talks on our side were Yi Chong-ok, member of the Political Bureau of the C.C., WPK and vice-president; Pak Ui-chun, vice-minister of foreign affairs; Chon Il-chun, vice-minister of external economic affairs; and Chong Nam-ho, DPRK Ambassador E.P. to the Republic of Seychelles.

Present on the opposite side were Sylvette Frichot, minister of information, culture and sports and secretary for organization and mobilization of the Central Committee of the Seychelles People's Progressive Front, and others.

The talks proceeded in an earnest and friendly atmosphere.

Kim Il-song, Rene Exchange Gifts

SK2306082091 *Pyongyang KCNA in English*
0800 GMT 23 Jun 91

[Text] Pyongyang June 23 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, today received a gift from France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front.

Present on the occasion were Sylvette Frichot, minister of information, culture and sports and secretary for organization and mobilization of the Central Committee of the Seychelles People's Progressive Front, and others.

Yi Chong-ok, member of the Political Bureau of the C.C., WPK and vice-president, and officials concerned were on hand.

President Kim Il-song presented President France Albert Rene with a gift.

Rene Brings Gift for Kim Chong-il

SK2306082591 *Pyongyang KCNA in English*
0803 GMT 23 Jun 91

[Text] Pyongyang June 23 (KCNA)—A gift for the dear leader Comrade Kim Chong-il from France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, now on a state visit to Korea was handed by him to Yon Hyong-muk, premier of the Administration Council.

Kim Il-song Addresses Banquet

SK2306090191 *Pyongyang KCNA in English*
0836 GMT 23 Jun 91

[Text] Pyongyang June 23 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, made a speech at the banquet he gave today in honor of France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, on a state visit to Korea.

Warmly welcoming the visit of President France Albert Rene and his entourage to our country, President Kim Il-song said:

Comrade President, you have become intimate with our people in the course of your previous visits to our country.

The long journey you have taken to visit our country again will make an important occasion to deepen our friendship and strengthen amity and solidarity between the Korean and Seychelles peoples.

Although a long geographical distance lies between our countries, the two peoples are linked solidly by their common ideals of independence, sovereignty and non-alignment and support and cooperate closely with each other in the struggle to build an independent new society.

Since the triumphant June revolution under your leadership, Comrade President, the Seychelles people have advanced steadfastly along the path of socialism chosen by themselves, firmly safeguarding the independence and sovereignty of the country. Our people sincerely rejoice over the many successes made by the Seychelles people in their effort to bring about social stability and national unity and to build a new society of their own style. We extend a firm solidarity to your just efforts to convert the Indian Ocean into a peace zone.

Today, our people are struggling to consolidate and develop the man-centred socialism of our style, which has been built by our own efforts, guided by the chuche idea, and to accelerate the independent, peaceful reunification of the fatherland. In spite of the complex situation, our people's struggle is advancing victoriously under the strong support and sympathy of the Seychellois and other progressive people throughout the world.

Today the Third-World people are faced with the task of cooperating in the struggle for the independent development of their countries and for their common prosperity. They must fight against imperialism and dominationism which trample and infringe upon others' independence, must strengthen international solidarity and develop South-South cooperation on the principle of collective self-reliance.

It is important that the 27th summit conference of OAU held some time ago adopted a declaration and resolutions on the complete liquidation of racism and on other pressing matters in the independent development of the continent. In particular, the signing of the treaty on the establishment of the African Economic Community serves as a new milestone in the development of African history.

We are convinced that the Seychellois and all the other African people will emerge victorious in their just cause of abolishing the old international order of domination and subjugation and of building a free, peaceful and prosperous new Africa by their united efforts.

Comrade President, your current visit to our country will contribute to strengthening the friendship and solidarity among the peoples of the Third World.

Rene Addresses Banquet 23 Jun

*SK2306090991 Pyongyang KCNA in English
0845 GMT 23 Jun 91*

[Text] Pyongyang June 23 (KCNA)—France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, made a speech at the banquet arranged today by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea.

He said:

We have come to Korea determined to consolidate and build further upon the existing ties of friendship and cooperation between us. The frankness and cordiality which have characterised our discussion have proved the genuine desire which exists to expand cooperation between Korea and Seychelles. Ours is a relationship of harmony, based on a true partnership and mutual respect.

I am pleased to say that this cooperation between our two countries has known so many dimensions and has been free of any pressure.

You have given us constant support during the various stages of the struggle for our indepegence and development. You have done so out of genuine solidarity and friendship. And we appreciate all the more the support you have given us knowing that your own resources are

limited. Korea has demonstrated that goodwill, understanding, solidarity and cooperation among developing countries are not just empty words.

And I would like to take this opportunity to reiterate the gratitude of the people of Seychelles for this assistance offered by the Democratic People's Republic of Korea, without political and economic strings attached.

In the course of our discussions we reviewed the international situation. We were happy to note that we share similar views on a great number of issues. We share similar aspirations with regard to the creation of a more equitable world order.

We are strongly urging that the Indian Ocean be denuclearised and transformed into a zone of peace, in the same way that you are struggling to keep the Korean peninsula a nuclear-free zone. It is through concerted action that we find our strength and in unity of purpose that we shall find our strength.

Peoples of all continents share common concerns and hopes: those of peace, trust, mutual understanding, exchanges in science, technology, culture and other fields that are indispensable to peace.

We would have liked to see this climate of understanding, peace and cooperation extended to the Korean peninsula. Unfortunately, we are still far from that goal. This year marks 46 years of the artificial division of the Korean people. The people of Seychelles share the aspirations of the Korean people for the reunification of their homeland. Conditions have changed dramatically recently. The government of the DPR of Korea has taken a decision for admission to the U.N. of its own free will to cope with these conditions.

We assure you of our active support for your admission to the U.N.

We will always support any proposal aimed at the peaceful reunification of Korea, into one united, free and democratic society.

We believe that the proposal that you have put forward—the establishment of the democratic confederal republic of Koryo, on the basis of independence, peaceful reunification and great national unity—is a realistic one. We share your view that the proposal, which would bring the two existing social systems in the North and the South in a confederation, through co-existence, would prohibit the presence of foreign troops and ban the manufacture and use of nuclear weapons on the peninsula.

I would like to assure you once again of the support of the people and government of Seychelles on the long road to the peaceful reunification of Korea.

Yi Chong-ok, Rene Visit Firms

*SK2506011391 Pyongyang KCNA in English
1526 GMT 24 Jun 91*

[Text] Pyongyang June 24 (KCNA)—France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, and his party today visited the Huichon General Machine Tool Works and the Chongchongang Joint Venture Company.

They were accompanied by Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, and officials concerned.

The guests visited the Huichon General Machine Tool Works.

A large number of employees of the works and people in Huichon City who came out with miniature flags of the two countries and bunches of flowers in their hands enthusiastically welcomed the goodwill envoy of the Seychellois people.

Being briefed on the conversion of this works into the nation's allround machine tool production base, the guests went round major production processes.

The Seychelles president and his party visited the Chongchongang Joint Venture Company, a producer of silk yarn.

The Chagang Provincial Committee of the Workers' Party of Korea and the Chagang Provincial People's Committee arranged a party in welcome of the Seychellois president today.

In his speech at the party, Yi Pong-kil, chief secretary of the Chagang Provincial Party Committee and chairman of the Chagang Provincial People's Committee, pointed out that the Seychelles people under the leadership of President France Albert Rene have achieved many successes in the work to achieve social stability and national unity and build a new society of social justice.

We highly estimate the Seychelles people for their vigorous advance along the road of socialism, their own choice, and express full support and firm solidarity for their struggle to denuclearise the Indian Ocean and convert it into a peace zone, he stressed.

In his speech, President France Albert Rene said: We come to the Democratic People's Republic of Korea to renew the long-standing ties of friendship and cooperation between the Korean and Seychelles people, and to build upon this friendship.

The Korean people, under the wise guidance of President Kim Il-song, are a nation of builders: builders of their own destiny, builders of economic progress and welfare, builders of social justice, the president noted, adding: We, in Seychelles, share your sense of pride at these many achievements.

In the course of our stay amongst you, we have had discussions with President Kim Il-song, he said, and continued: I am sure that, following the discussions we have had together we can find more ways and means in translating the solidarity and friendship between us into further action.

At the end of the party, artistes of the Chagang Provincial Art Troupe gave a performance in welcome of President France Albert Rene.

Kim Il-song Calls on Rene 25 Jun

*SK2606033791 Pyongyang KCNA in English
1046 GMT 25 Jun 91*

[Text] Pyongyang June 25 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, today called on France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, at the guest house.

He was accompanied by Yi Chong-ok, member of the Political Bureau of the C.C. [Central Committee], WPK and vice-president; Pak Ui-chun, vice-minister of foreign affairs; Chon Il-chun, vice-minister of external economic affairs; and Chong Nam-ho, DPRK ambassador c.p. to the Republic of Seychelles.

He was greeted at the guest house by President France Albert Rene and Sylvette Frichot, minister of information, culture and sports of the Republic of Seychelles and secretary for organization and mobilization of the Central Committee of the Seychelles People's Progressive Front, and others who are accompanying the president.

President Kim Il-song had a cordial and friendly talk with President France Albert Rene and exchanged parting words with him.

President France Albert Rene expressed deep thanks to President Kim Il-song for the hospitality accorded to him during his visit to Korea.

Kim Il-song Receives Thanks

*SK2606104791 Pyongyang KCNA in English
1017 GMT 26 Jun 91*

[Text] Pyongyang June 26 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received a message of thanks Tuesday from France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front.

Noting that he could witness once again through his visit to the DPRK the successes made by the Korean people in the work for the development of the country, France Albert Rene said in the message that the talks and visit to

the DPRK have marked a new stage in developing the friendly and cooperative relations and bonds of solidarity between the two countries more favourably in the interests of the two peoples.

He affirmed that the people, government and party of Seychelles will always stand on the side of the Korean people and fully support their socialist construction and cause of national reunification under the wise guidance of President Kim Il-song and the dear leader Comrade Kim Chong-il.

Hoping for continuous strengthening and development of the fraternal relations between the two countries, the Seychellois president said he would make his possible efforts for it.

He wished President Kim Il-song and Comrade Kim Chong-il longevity and happiness.

Seychelles President Interviewed

*SK2606103491 Pyongyang KCNA in English
1008 GMT 26 Jun 91*

[Interview with France Albert Rene, president of the Republic of Seychelles, by KCNA reporters in Pyongyang on 25 June]

[Text] Pyongyang June 26 (KCNA)—France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, met with KCNA reporters prior to his departure from here on June 25.

I feel for the great leader Comrade Kim Il-song very deep and warm love, always have deep respect and love for him, he said.

He noted that each time he came to Korea he could witness how much progress the Korean people made along the road of socialism under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and felt how rapidly they have progressed.

He stressed that while meeting with the great leader Comrade Kim Il-song to discuss the situation in Europe and other international issues, he felt the need to continue holding higher the socialist banner.

Expressing the belief that as a result of his visit to Korea the friendly and cooperative relations between the two countries will continue to grow, he said the will and firm determination of the Korean people and its leadership convinced him that a peaceful reunification of Korea would surely be achieved.

I think it is a very wise decision to join the United Nations by the Korean Government under the wise guidance of the great leader Comrade Kim Il-song, he said, and stressed:

The friendly and cooperative relations between our two countries and two peoples will further consolidate and develop every day.

Rene Departs Pyongyang 25 Jun

*SK2606024791 Pyongyang KCNA in English
1050 GMT 25 Jun 91*

[Text] Pyongyang June 25 (KCNA)—France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, left here today by special plane after concluding his state visit to our country at the invitation of Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea.

The president and his entourage were warmly sent off by Yon Hyong-muk, member of the Political Bureau of the Central Committee of the WPK and premier of the Administration Council, and officials concerned.

A farewell function took place at the airport.

In company with the premier, the president reviewed a guard of honour of the three services of the Korean People's Army.

Thousands of working people warmly saw off the goodwill envoy of the Seychellois people at the airport, waving miniature flags of the two countries and bunches of flowers.

Rwandan Presidential Special Adviser Visits

*SK2206154191 Pyongyang KCNA in English
1512 GMT 22 Jun 91*

[Text] Pyongyang June 22 (KCNA)—Habimana Bonaventure, special advisor to Habyarimana Juvenal, president of the Republic of Rwanda, arrived here today as a special envoy of the president together with his entourage.

They were met at the airport by Choe Ki-yong, chairman of the Education Commission, and Pak Myong-ku, vice-minister of foreign affairs.

Attends Party With Entourage

*SK2306094191 Pyongyang KCNA in English
0819 GMT 23 Jun 91*

Pyongyang June 23 (KCNA)—The DPRK Government arranged a party at the Okryu Restaurant last evening for the special envoy of the Rwandan president and his entourage on a visit to Korea.

Present there on invitation were special envoy Habimana Bonaventure, special advisor to the Rwandan president, and his entourage.

Choe Ki-yong, chairman of the Education Commission, Pak Myong-ku, vice-minister of foreign affairs, and other officials concerned were present.

Speeches were made at the party.

Presents Gift for Kim Il-song

*SK2406082391 Pyongyang KCNA in English
0520 GMT 24 Jun 91*

[Text] Pyongyang June 24 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received a gift from President Habyarimana Juvenal of the Republic of Rwanda.

Habimana Bonaventure, special envoy of the Rwanda's president, on a visit to Korea, handed the gift to Vice-premier and Foreign Minister Kim Yong-nam.

Presents Gift for Kim Chong-il

*SK2406074891 Pyongyang KCNA in English
0546 GMT 24 Jun 91*

[Text] Pyongyang June 24 (KCNA)—A gift came to the dear leader Comrade Kim Chong-il from Juvenal Habyarimana, president of the Republic of Rwanda.

The gift was handed to Vice-premier and Foreign Minister Kim Yong-nam by Habimana Bonaventure, a special envoy of the Rwandan president, on a visit to Korea.

Kim Yong-nam Meets Rwandan President's Adviser

*SK2406082691 Pyongyang KCNA in English
0544 GMT 24 Jun 91*

Pyongyang June 24 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam met and had a friendly talk at the Mansudae Assembly Hall Sunday with Habimana Bonaventure, special advisor to the president of the Republic of Rwanda, who came here as a special envoy of the president, and his party.

On the same day, Kim Yong-sun, secretary of the C.C. [Central Committee], the Workers' Party of Korea, met and had a friendly conversation with the special envoy of the Rwanda president who is honorary general secretary of the National Revolutionary Movement for Development, and his entourage.

Expressing support for the proposal to found a democratic confederal republic of Koryo, the special envoy said on the occasion that Korea should be reunified independently and peacefully without outside interference.

Concludes Visit 24 Jun

*SK2406110291 Pyongyang KCNA in English
1052 GMT 24 Jun 91*

[Text] Pyongyang June 24 (KCNA)—Habimana Bonaventure, special advisor to Habyarimana Juvenal, president of the Republic of Rwanda, who visited the Democratic

People's Republic of Korea as a special envoy of the president and his entourage left here today.

During their stay they visited Mangyongdae, the May Day Stadium, the Tower of the Chuche Idea and Kwangbok Street.

KCNA Review of 26 Jun Pyongyang Press

*SK2606055691 Pyongyang KCNA in English
0503 GMT 26 Jun 91*

[Press review]

[Text] Pyongyang June 26 (KCNA)—Papers here today carry a photo-illustrated report that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, called on France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, at the guest house and a message of thanks sent to President Kim Il-song by President France Albert Rene leaving Korea.

Given in the press are accounts of the departure of the Seychellois president from Pyongyang and an interview granted by him to reporters.

Printed in papers is a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Malagasy President Didier Ratsiraka on the occasion of the 31st anniversary of the independence of Madagascar.

Appearing in NODONG SINMUN are messages of greetings sent by the Central Committee of the Workers' Party of Korea to P.V. Narasimha Rao, president of the Indian National Congress Party (I), on his 70th birthday and to the C.C., Indian National Congress Party (I) on its signal success in the general elections to the lower house, which made it the ruling party.

Carried in the press are an account of the Pyongyang mass rally and demonstration of more than 200,000 citizens marking "June 25, Day of Struggle Against U.S. Imperialism", the speech of Choe Mun-sun, chief secretary of the Pyongyang municipal party committee and chairman of the Pyongyang Municipal People's Committee, at the rally, pictures of the rally and demonstration, and an account of a national indignation meeting of youth and students on this occasion.

The France-Korea Friendship Association published a bulletin, says NODONG SINMUN.

The paper reports that the president and the general secretary of the Socialist Party of Australia and the national chairman of the Socialist Unity Party of New Zealand separately met with the DPRK ambassador to Indonesia and the chairman of the Caribbean National Movement with the DPRK ambassador to Jamaica.

It is reported in the paper that Korean oarsmen and women proved successful at the first Asian youth rowing championships and a Korean-Soviet joint venture restaurant opened in Moscow.

Echoed in the press are voices at home and abroad supporting the joint statement of political parties and public organisations of the DPRK on withdrawing nuclear weapons of the United States from South Korea and removing the danger of a nuclear war from Asia.

NODONG SINMUN carries a white paper on human rights in South Korea adopted at the international conference of jurists on human rights in South Korea held in Paris.

NODONG SINMUN comes out with a commentary lambasting the South Korean puppets for launching an anti-communist racket after marking off a "period of report of spy and intensive publicity" and MINJU CHOSON with a commentary denouncing them for "putting on parole" those involved in power-backed irregularities and scandals in the period of the "Fifth Republic".

Papers dedicate articles to the 31st anniversary of the independence of Madagascar.

Included in the international news columns of NODONG SINMUN are reports that the 7th Congress of the Communist Party of Vietnam opened, the Chinese PEOPLE'S DAILY exposed the United States' violation of human rights, the Central Committee of the Communist Party of Belorussia rejected the attempt to change the nomenclature of the union, the leader of the Islamic Revolution of Iran condemned the United States' attempt to dominate the world and the chairman of the Norwegian Communist Party declared that the program of the party is to build socialism and communism. The Egyptian president stated that Egypt will not allow any foreign military bases, the withdrawal of the Soviet troops from Hungary and Czechoslovakia has been completed, the Bundestag of Germany voted for the decision to seat the federal government in Berlin, says the press.

South Korea

North To 'Conclude' Nuclear Safeguards Accord

SK2606113791 Seoul CHOSON ILBO in Korean
23 Jun 91 p 1

[Report by correspondent Kim Chang-ki from Washington]

[Text] On 21 June, Ho Chong, North Korean deputy permanent observer to the Permanent Observer Mission, United Nations revealed that apart from the issue of allowing nuclear inspection, North Korea will conclude the Nuclear Safeguards Accord as scheduled. Through a telephone interview on this day he said: "Starting from next month North Korea will begin negotiations with the

International Atomic Energy Agency to conclude the Nuclear Safeguards Accord."

Dismantling of UN Oversight Groups 'Hazardous'

SK2606054291 Seoul THE KOREA HERALD
in English 26 Jun 91 p 8

[Editorial: "Truce Arrangement for Korea"]

[Text] The status and future of the existing international arrangements for the maintenance and supervision of the Korean truce have lately been challenged arbitrarily by North Korean Communists. The issues involved hardly allow for one-sided and hasty demands from Pyongyang.

For one thing, North Korea asked the Polish and Czech embassies in Pyongyang early this month to have their home governments withdraw from the Neutral Nations Supervisory Commission [NNSC]. With good reason Poland and Czechoslovakia rejected the request on the ground that their representation on the commission is an international obligation that cannot be discarded at will, according to the unilateral wish of North Korea.

It has been known for some time that Pyongyang wants to dissolve the NNSC and the Military Armistice Commission [MAC], which have been taking care of the decades-old Korean truce. The MAC, composed of representatives from the belligerent powers of the Korean War, namely North Korea and China on one hand, and the U.S.-led United Nations Command [UNC] on the other, has been the most important forum for dealing with armistice affairs.

Military officials from Sweden, Switzerland, Poland and Czechoslovakia form the NNSC to supervise peace here. The latter two were chosen by North Korea as they are fraternal socialist countries. But now things have changed. Pyongyang is chagrined at the former East European friends who have turned their backs on North Korea in favor of Seoul.

A recent change in the makeup of the MAC, naming a South Korean general to represent the UNC, also exasperated North Korea. Moreover, Pyongyang is interested in striking a political deal to seek a peace agreement with Washington bypassing Seoul. These irritants led North Koreans to call for scrapping of the MAC and the NNSC and downplaying of the UNC.

The two bodies have operated on behalf of the signatories to the Korean armistice to implement the cease-fire. Then, their abolition has to be resolved by the three parties to the armistice and has to wait until a workable, internationally guaranteed peace pact replaces the cease-fire agreement.

It also seems proper that the status of the UNC should be decided on by a relevant United Nations resolution as it was mandated by the world organization upon the outbreak of the Korean War. Untimely and indiscriminate dismantling

of the existing arrangement before a practicable alternative is found would be irrational and hazardous.

North Reportedly Attracts 133 Foreign Tourists

*SK2206024891 Seoul YONHAP in English 0201 GMT
22 Jun 91*

[Text] Seoul, June 22 (YONHAP)—North Korea has attracted a grand total of 133 foreign tourists so far this year despite a program that actively tries to encourage visitors, the Korea National Tourism Corp. [KNTC] said Saturday.

A pro-North Korean Japanese Travel Agency sent 55 Japanese to North Korea, a Taiwanese agency sent 58 tourists and Australia's Lotte Travel and Freight Service sent 20 people, KNTC said.

GIB A.G. of Switzerland, Ikarus Tours of Germany and three other travel agencies have presented 18 package tours to North Korea since January, but eight were canceled due to lack of interest, it said.

The small number of foreign tourists, it said, was attributed to North Korea's rigid control of travel agencies, poor infrastructure and the relatively high cost, though North Korea has taken active steps to attract foreign tourists this year.

The U.S. warning against travel to North Korea in its travel advisory appears to have had a negative influence, he said.

500 Applications To Contact North Approved

*SK2506064391 Seoul YONHAP in English 0549 GMT
25 Jun 91*

[Text] Seoul, June 25 (YONHAP)—The South Korean Government has approved 500 applications for private citizens to contact North Koreans since June 1989, when the process began, the National Unification Board said Tuesday.

As of June 25, the government had approved 500 out of 593 applications and meetings had taken place in 137 cases. The government rejected 58 applications and 35 are under deliberation.

Of the 500 approved, 172 were to meet relatives in North Korea, 108 for academic meetings, 42 for cultural events and 41 for business.

Soviet Interviewed on Start of Korean Conflict

*SK2606092191 Seoul CHOSON ILBO in Korean
25 Jun 91 p 4*

[Interview by the YONHAP NEWS AGENCY with Dr. (Gavril Korotkov), retired Soviet Army colonel and senior fellow at the Military Affairs Institute under the Soviet Defense Ministry on 24 June in Moscow—first two paragraphs are introductory]

[Text] In an interview with the YONHAP NEWS AGENCY on 24 June, Dr. (Gavril Korotkov), retired Army colonel and senior fellow at the Military Affairs Institute (Director: General (Borokogonov) under the Soviet Defense Ministry said that upon examining his data and testimonies by relevant people, he has concluded that the Korean war broke out under Stalin's careful plan and that Kim Il-song was nothing but an executioner.

This reference by him is striking because it is different from what Khrushchev said in his memoirs. In his memoirs, Khrushchev said that Kim Il-song flew to Moscow carrying his plan for southward invasion and asked Stalin to approve of his plan and that Stalin hesitatingly approved of it.

I graduated from the Military Academy on 25 June 1950 and was commissioned as a primary-level officer. On the day when I was commissioned, I learned that certain large-scale military conflicts took place in the Land of the Morning Calm in the Far East.

I went to a recreational area to take a 24-day leave from 26 June. There, on 5 July, I received an urgent telegram that says: "Return to Moscow immediately after interrupting your leave."

The Moscow Joint Chief of Staffs ordered me to go to Khabarovsk by mid-July and to receive an instruction from Marshall (Malinovskiy), commander in chief of the Far East Military District.

When I arrived in Khabarovsk, a separate intelligence team had already been formed that was under the direct control of Marshall (Malinovskiy).

I frequently paid business trips to North Korea and Japan. When the North Korean Army went down to the Naktong River after winning victory after victory, I also went down to the Naktong River to gather information.

When I was serving in the Khabarovsk Headquarters, I came to know various events that had taken place before the war. One of them was that large-scale special mobile exercises were conducted on several occasions near Khabarovsk in April 1950, two months before the war started, and that even military units stationed on the Sakhalin Island and the Kuriles were mobilized in these exercises.

It has been said that Kim Il-song played a leading role in starting the Korean war. However, I do not think so.

After secretly visiting Moscow in January 1950, Kim Il-song again came to Moscow by air on the evening of 23 February.

Kim Il-song held secret talks with Stalin at his office until 0200 in the morning. On several occasions during their talks things that were beyond imagination occurred. According to one of the assistants in Stalin's office, who happened to be a friend of mine, an hour after the talks began Kim Il-song came out of Stalin's office into the receptionist's room, his face reddened and

taut. Stalin called for Kim to come back into his office when the latter, Kim Il-song, had already been out of the office for about 30 minutes. About an hour later, Kim came out of the office again, gasping heavily. He went back into Stalin's office again about 20 minutes later when Stalin called him back.

At 2 o'clock in the morning, by which time their talks ended, Kim Il-song came out of the office, his face reddened, and left the building without saying so much as a word. Kim flew back the same morning. Stalin's assistants were stunned at such a development. It was because the two had a serious difference in opinion over the date of opening the war.

Apparently, Stalin insisted that Kim execute the war exactly the way he wanted it to be, while the latter, having no difference of opinion about the war of southward invasion, pleaded with Stalin that the opening date of the war be postponed on the ground because war preparations were not complete.

In particular, Stalin is believed to have encouraged Kim to start the war of southward invasion, arguing that the prevailing international situation, including the victory in the war against Germany and Japan, the liberation of China, and the establishment of a new government in Vietnam, provided a can't-miss opportunity for communizing the Korean peninsula and that the Soviet Armed Forces in the Soviet Far East were invincible. Kim Il-song succumbed to Stalin after a stubborn but brief resistance because his guardian Stalin might have hinted at replacing him with a third person if he did not obey him.

Following the participation in the war by the Chinese People's Volunteers [CPV], the Soviet Army, too, began its involvement in the execution of the war. The Soviet authorities still keep their silence about the size of the Soviet Army involved in the war, but I believe it would be at the level of a few thousand.

Some of the Soviet soldiers were in the uniforms of the CPV soldiers and some others wore the uniform of the North Korean soldiers.

Even the Soviet Air Force was mobilized on a large scale. An Air Force corps made up of three air divisions, deployed in Manchuria under the command of Gen. (Sarenka) in Manchuria, fought U.S. fighters.

All told, the Korean war should not be seen as a confrontation between Syngman Rhee and Kim Il-song, or a confrontation between the South and North. Rather it can be seen as an experimental war fought within the framework of the international politics under the cold war structure.

DLP Secretary-General To Visit USSR in Jul

SK2606123591 Seoul YONHAP in English 1219 GMT 26 Jun 91

[Text] Seoul, June 26 (YONHAP)—Kim Yun-hwan, secretary-general of the ruling Democratic Liberal Party

[DLP], will visit Moscow and Kazakhstan for a week from July 20, DLP sources said Wednesday.

Kim, in the capacity of the Korean side president of the South Korea-Soviet Parliamentarians Association, will discuss with Soviet and Kazakh Government and Communist Party leaders ways of expanding bilateral exchange. Kim will return home in early August after stopping over in Europe and Japan, the sources said.

Envoy Claims CSFR Gateway to Europe for Firms

SK2606041891 Seoul THE KOREA TIMES in English 26 Jun 91 p 8

[Text] Czechoslovakia can be a gateway to Europe for Korean companies, the Czechoslovakian Embassy here said.

"Czechoslovakia is geographically in the center of Europe. It has developed countries to the west, and socialist countries to the east who will grow into a huge market someday," said Stanislav Dryak responsible for commercial affairs at the Czechoslovak Embassy.

Czechoslovakia can provide a channel for Korean companies to penetrate the Western European market before it solidifies into a single market in 1993, he explained. "It will be a very big advantage for Korean companies to get into the European market through Czechoslovakia now because there will not be much space for Korean companies after 1993," he said.

Dryak predicted Czechoslovakia will become a member of the European Community market in the future.

He noted Korean companies have to look at not only Czechoslovakia, which has only a 14 million population, but the broader market around it as well. "There are markets of very high potential, USSR, Poland, Hungary, Bulgaria, and many others."

Dryak, who arrived in Seoul in February when the Czechoslovak Embassy opened, has much work to do as exchanges between Korea and his country only began in March last year when their diplomatic ties were established.

He observed that the exchange of information would start first and the expansion of trade and industrial cooperation would then follow. He said through his frequent contacts with big companies and economic organizations in Korea he was able to have a good chance to see the development of the Korean economy. "In Korea, there is a strong possibility to develop business relations with Czechoslovakia," he added.

Korean exports to Czechoslovakia reached 52 million U.S. dollars last year, the bulk of which was electronics and machinery. On the other hand, Korea imported 23 million dollars worth of goods from the East European country. Most of the imports were raw materials and machines.

"According to our economic reform program, we will decrease the share of heavy industries like steel and energy for further development of our economy. We are producing millions of tons of steel on one side, but not enough consumer goods on the other side," said Dryak, explaining his country's efforts to transform its economy into a market economy.

Czechoslovakia has embarked on a series of reform measures since the Communist regime crumbled in 1989. State control on international trade has been lifted, and prices have been liberalized. Czechs can now buy dollars with their local currency.

Dryak said all state-owned companies, except for some large public enterprises like railways, will be sold to private citizens and foreigners in four to five years.

He emphasized that the Czechoslovakian government regards foreign companies' direct investment as a pillar for economic reform.

"In 1990, the Czechoslovak Parliament enacted the joint venture law enabling the creation of joint venture with foreign investment reaching up to 100 percent."

By the end of February this year, there were some 2,500 joint venture companies. Dryak said Germans and Austrians are the largest investors so far. "The biggest is the seven-billion-dollar project between Germany's Volkswagen and Czechoslovakia's Skoda to produce cars in Czechoslovakia."

"We welcome all kinds of participation by foreign capital on a small scale and also on a large scale," he went on.

He said he believes it is desirable for Korean companies to get involved with Czechoslovak companies in the form of joint ventures. He suggested that Korean companies consider Czechoslovakia, which has a long industrial history, sufficient production capacity and a skilled labor force, as a manufacturing base in Europe.

Czechoslovakia has the largest gross national product in the former communist bloc except for eastern Germany. Dryak said, however, consumer demand is low at this stage because Czechs can't afford to buy many consumer goods.

Dryak said there will be the first Czechoslovak exhibition in Seoul between Nov. 27 and Dec. 7 this year. "We would like to show Korea the various products from many branches of our industry. We also welcome this opportunity because Czechoslovakian companies can see directly what Korean companies can offer to Czechoslovak market."

Prime Minister Opens Pusan Container Terminal

SK2606075691 Seoul YONHAP in English 0704 GMT
26 Jun 91

[Text] Pusan, South Korea, June 26 (YONHAP)—Prime Minister Chong Won-sik cut the ribbon Wednesday to

open an exclusive container terminal with an annual handling capacity of 960,000 teus (twenty-foot equivalent units).

The pier, which took six years to complete, is expected to ease the bottleneck at Pusan in southeastern South Korea.

The 900 meter-long wharf has three berths, 86.6 hectares (214 acres) of yard and six gantry cranes. Its opening more than doubles Pusan's total container handling capacity from 900,000 teus to 1.86 million teus a year.

Kim Tae-chung on Electoral System Preference

SK2606034091 Seoul YONHAP in English 0208 GMT
26 Jun 91

[Text] Seoul, June 26 (YONHAP)—Opposition leader Kim Tae-chung said Tuesday he favored retaining the existing parliamentary electoral system based on single-seat constituencies and predicted that the ruling party would have problems choosing a candidate for next year's presidential election.

"We strove for the small constituency system, so there was no reason to change it. In addition, a multiple-seat constituency system would cost more money than the current one," the head of the New Democratic Party [NDP] said in an interview with YONHAP news agency.

But Kim stressed the need to revise the election law in a way that would enable the political parties and their candidates to have more open and free contacts with the electorate. The opposition leader reiterated his opposition to the parliamentary cabinet system.

Kim was given an overwhelming vote of confidence in his leadership of the party on Monday. After the NDP's devastating defeat in the June 20 local elections, he was under pressure from some NDP lawmakers to resign his position as party president.

The NDP would form a committee on Wednesday to seek an opposition coalition, he said.

"The ruling Democratic Liberal Party will face several problems choosing presidential candidate. Under the Constitution, the presidential election is expected in late 1992. On the other hand, the issue of an opposition coalition will be continuously raised in the opposition camp," Kim said.

NDP Officials Debate Kim Tae-chung's Future

SK2606044691 Seoul THE KOREA HERALD
in English 26 Jun 91 p 2

[News analysis, by staff reporter Sin Yong-pae]

[Text] Despite an overwhelming defeat in last week's local council elections, the leading opposition New Democratic Party [NDP] has come to the conclusion that Kim Tae-chung should remain at the helm.

This is in contrast to calls in many newspaper editorials urging Kim to retire from politics. Probably many people may have preferred the NDP without Kim.

The devastating election defeat also touched off a heated debate over Kim's party leadership, with a group of reform-minded lawmakers calling for his resignation for the realization of a "grand unity" of all opposition forces in the country.

But party lawmakers and key officials Monday overwhelmingly voted against Kim's ouster from the presidency.

Faithful supporters of Kim claimed that his absence from the political center stage would be a minus to the party. Instead, they called on the party leadership to revamp its disposition so that it can escape the criticism of being nothing but a regional party based in the Cholla region.

In a rising vote which came after an eight-hour debate, a motion calling for the retaining of the existing NDP leadership was accepted with 50 votes for and none against with five abstaining from voting.

Most party lawmakers may have judged there will be slim chances of success in parliamentary elections early next year if Kim steps down.

The decision, however, is sure to trigger severe repercussions from reform-minded lawmakers of the party.

Rep. Cho Yun-hyong, vice National Assembly speaker, has vowed to quit the party unless Kim gives up his leadership. He was absent from the meeting.

Another reformist Chong Tae-chol said in the meeting that Kim's resignation is a must for an opposition merger. He received a lot of catcalls from Kim's cohorts.

Others who are demanding Kim's resignation include Reps. No Song-hwan, Yi Sang-su and Kim Chong-wan.

But still, none of them has formally announced that they would bolt from the party.

The "mavericks," all elected in Seoul, may not easily leave the party for fear of losing favors from their constituents. Nearly 30 percent of their constituents are said to be natives of Cholla provinces, most of whom are avid supporters of Kim.

Before last week's polls, three lawmakers, Yi Hae-chan, Yi Chol-yong and Kim Kil-kon left the NDP mainly over controversy over the party's nomination of candidates. They have also criticized Kim Tae-chung's "undemocratic" party operations.

Despite Kim's promise to promote an opposition merger, this may be a hard goal to achieve.

The minor opposition Democratic Party [DP] which suffered from a humiliating setback in the elections has

insisted that one of the major stumbling blocks to promotion of the opposition coalition is Kim's staying in power.

Furthermore, some NDP officials have opposed a merger with the DP which gained only 21 of the 866 seats at stake in the elections.

They say it does not make sense for the leading opposition party (NDP) to seek a party-to-party coalition with the smaller opposition party.

A merger of all opposition forces thus is most likely to remain a pipe dream for the time being.

Critics say what seemed to be a plus to the NDP is the fact that party officials dared to debate Kim's political future in his presence for the first time.

Two Dissidents Arrested After Leaving Cathedral

SK2606041291 Seoul THE KOREA TIMES in English
26 Jun 91 p 3

[Text] Two leading dissidents who underwent medical checkups at a Seoul hospital were detained at the Seoul Chongno Police Station yesterday as doctors said that they had no health problems.

Han Sang-yol, co-chairman of a dissident alliance, and Yi Su-ho, head of the alliance's executive committee, were moved from St. Mary's Hospital in Yoido to the police station for overnight interrogation.

The dissident alliance was formed in the wake of the fatal police beating of Myongji University student Kang Kyong-tae April 26 and has since organized several large-scale rallies.

Before undergoing the hospital checkups, the two dissidents had staged a hunger strike at Myongdong Cathedral in downtown Seoul along with other activists.

Doctor Chang Yun-sik said that he could detect no particular illness, adding that their hospitalization is unnecessary at present.

Han and Yi told reporters that they would refuse police interrogation and continue the hunger strike until Saturday when the sixth "pan-national" rally is scheduled.

Police were already granted arrest warrants from the court. Han was charged with the Anti-violence Law while Yi was accused of organizing illegal rallies and demonstrations.

Student Denies Writing Colleague's Suicide Note

SK2606034191 Seoul YONHAP in English 0233 GMT
26 Jun 91

[Text] Seoul, June 26 (YONHAP)—Dissident Kang Ki-hun started talking Tuesday, but instead of saying what the prosecution was waiting to hear he vigorously denied writing the suicide note left by a colleague.

Kang, 27, ended his silence and said he did not write the suicide note of Kim Ki-sol, who died in a self-immolation ritual to protest the police killing of a student demonstrator, a prosecutor in charge of the case said Wednesday.

Kang also wrote down his whereabouts after Kim died on May 8, but the prosecutor said he deliberately changed his handwriting style to make it appear different from the suicide note.

A section chief at the National Council of Democratic Movements, Kang walked out of Myongdong Cathedral and gave himself up Monday after spending over a month in sanctuary.

Kang also denied forging Kim's appointment book, another key clue in the investigation, but then resumed his silence despite efforts to convince him that an interrogation record comprising only questions would hurt his case in court, the prosecutor said.

Assuming that Kang will continue denying the charges even if he resumes speaking, the prosecution will begin to question witnesses and informants.

The prosecutor said Kang would not be allowed to see his defense attorneys until he cooperated fully.

In a press conference right before his arrest, Kang said that he would remain silent until he came to court.

Kang's girlfriend was questioned on Tuesday morning when she visited the Seoul district prosecutor's office to see Kang and another woman, junior to Kang at Tanguk University, was questioned on Monday afternoon.

As the prosecution failed to learn anything helpful from the questioning, it is expected to begin trying to locate 17 other people on its list.

If the prosecution cannot find any evidence for its charges by July 13, when the arrest warrant expires, it may have difficulty sustaining the charges, according to a lawyer.

The prosecution has to be able to show when, where and why Kang wrote the suicide note, he said, on top of the National Institute of Scientific Investigation's opinion that his writing is in some cases identical to that in the suicide note.

Spending on Supplies From Foreign Sources Jumps

SK2406085691 Seoul YONHAP in English 0540 GMT
24 Jun 91

[Text] Seoul, June 24 (YONHAP)—Spending on foreign supplies by central and local governments jumped 81.7 percent to 312.45 billion won (466.33 million U.S. dollars) in 1990, the Supply Administration said Monday.

Foreign goods and services took 5.8 percent of Korea's 5.38 trillion-won supply market, which comprises domestic and foreign procurements and construction, up from 5.5 percent in 1989.

When purchases from international organizations such as the United Nations are counted, this spending accounts for 81.8 percent of a total of 382.21 billion won in foreign procurements, up from 81.2 percent in 1989. The average value of foreign purchases swelled from 172.17 million to 268.2 million won.

Foreign firms registered for supply contracts numbered 1,165 at the end of 1990, up from 999 a year before and 903 two years earlier.

Environment Ambassador: Seoul To Join Protocol

SK2606045991 Seoul THE KOREA TIMES in English
26 Jun 91 p 3

[Text] South Korea is to join the Montreal Protocol Global Environment Treaty, which aims to phase out the use of ozone-destructive chlorofluorocarbons (CFCs) by the year 2000, next year.

Korea will try to join the protocol as a "friend economy," which is granted extensions and special provisions in complying with the regulations, first environment Ambassador Kwon In-hyok said yesterday. The Soviet Union is the only country currently in this category.

Korea's CFC market is estimated at some 5 billion U.S. dollars for 1,500 companies. After the Montreal Protocol activates its regulations on CFCs sometime between late this year and early next year, member countries can close their doors to imports from nonmember nations.

Kwon returned Monday from the third meeting of the parties to the Montreal Protocol in Nairobi June 19-21.

After the legal steps are completed by year-end, Korea will submit an application to the body, which was formed under the leadership of advanced nations in 1987 to protect the ozone layer.

Burma**Report on Saw Maung's 25 Jun Speech**

*BK2606021991 Rangoon Radio Burma in Burmese
1330 GMT 25 Jun 91*

[Text] A coordination meeting of the State Law and Order Restoration Council [SLORC] and chairmen of the state and divisional law and order restoration councils was held at 0900 today in the Operations Hall of the Office of the Commander in Chief of the Army. Senior General Saw Maung, chairman of the SLORC and commander in chief of the Defense Services, attended the meeting and delivered an address.

The coordination meeting was attended by Sr. Gen. Saw Maung, chairman of the SLORC and commander in chief of the Defense Services; General Than Shwe, deputy chairman of the SLORC, deputy commander in chief of the Defense Services, and commander in chief of the Army; members of the SLORC; members of the cabinet; the chief justice; the attorney general; the inspector general; the chairman of the Public Service Board; the military appointments general; the chief of staff of the Navy; the chief of staff of the Air Force; regional commanders and divisional commanders; directors general of the Office of the SLORC, the Office of the Cabinet, the Political Affairs Department of the Ministry of Foreign Affairs, and the Office of the People's Assembly; members of the Information Committee of the SLORC; legal advisers of the Office of the SLORC and the Office of the People's Assembly; directors of the Ministry of Defense; and responsible officials. U Kyaw Aye, director general of the Office of the SLORC presided as secretary of the coordination meeting.

Addressing the meeting, Sr. Gen. Saw Maung, chairman of the SLORC and commander in chief of the Defense Services, said the most important factor in implementing our tasks is to work according to rules and regulations and the law. He said it is necessary to understand that no matter who criticizes us we should not have any anxiety so long as we perform our tasks according to the rules and regulations. These rules and regulations, he added, not only concern us, but also the citizens of the entire country.

Regarding current work regulations, the senior general said priority is being given to ensuring the prevalence of law and order. He said the elections have been held and the next task is to control the parties according to the rules. That task is the responsibility of the Elections Commission. The commission is to ensure that registered political parties operate and behave according to the stipulations contained in the rules. Furthermore, he said, it is the duty of the commission to continue with the election matters according to the Election Law. Our sole duty is to take action according to the law against individuals or organizations, whoever they may be, should they break the rules and regulations. Should they

try to create or instigate disturbances, action will be taken according to existing law. This is something that must be noted carefully.

Continuing he noted developments in the history of Myanmar [Burma], saying that independence was achieved only in 1948 and the Revolutionary Council emerged in 1962. He noted there was change from one era to another and from one system to another in the 14 years after 1948. Tracing developments from 1962 to 1974, he noted the emergence of a new constitution in 1974 when power was transferred to the People's Assembly. He said it took 12 years to change from one era and system to another and it can be concluded that when the time comes, changes take place from one era to another and one system to another.

Continuing his speech, Sr. Gen. Saw Maung said at present priority is being given to doing whatever has to be done for the country's development, making utmost efforts for national unity, preserving the Union and preventing its disintegration, defending the country's independence, making utmost efforts for the development of the country's economy, giving assistance to the private sector, building roads, bridges, schools, clinics, and hospitals for regional development, and doing whatever needs to be done within the framework of law. He said regional development programs should be carried out in consultation and cooperation with the local indigenous people. He added that financial assistance would be provided when possible, but requests for financial assistance which are not possible should not be made. He said politics is of concern to all the indigenous people and urged them to work accordingly.

Next, chairmen of the states and divisional law and order restoration councils reported on construction and development projects being implemented in their respective regions, work being undertaken to bring down the prices of commodities, social and economic matters, and their requirements.

SLORC Secretary-1 Major General Khin Nyunt and Secretary-2 Major General Tin U then joined in the discussions.

In his concluding speech, Sr. Gen. Saw Maung said he had already raised the subjects which should be discussed. He said rice is cultivated as a major crop in Myanmar, but other crops should be also be cultivated to the full capacity. He said he would like to comment on the matter of land records, which was raised during the course of discussions on agriculture. He said land records compiled in 1962 should be used in ensuring correct records on maps and land and that statistics on paddy cultivation for 1978-79—a bumper year for paddy cultivation—should be used as a yardstick for recording paddy cultivation. He said it is necessary that reports on crop yields should reflect reality, and not just be paper figures.

Continuing, he said the situation in our country today is that since we are undertaking development tasks in all sectors, and we cannot expect to immediately achieve

the pattern we want, we should not be too anxious. But, just because we cannot achieve immediate results, we should not give up our diligence in trying. He said we should continue to endeavor with diligence, intellectual and physical capabilities, and utmost efforts. In so doing the leaders and departmental leaders—especially military leaders—should strive with utmost efforts so that they will be recorded in history.

He said once a task is accomplished it is necessary to report on the completion of the task. He said although such a system of advance reporting is already in practice within the Defense Services, such a system should be adopted by the departments concerned. He said it will be necessary to perform our work with genuine goodwill, courage, and sincerity. He said there should be goodwill not for one's own interests, but for the interests of the country and the people. He said working courageously means working without hesitation at the right time and that such work ethics should be applicable not only to us, but also to public servants as well as those in the private sector. He said there should be a balance in carrying out one's work in relation to others and that it is necessary to know one's own responsibilities. He said only when public service personnel know what their responsibilities are can they know what their work is and carry out their duties effectively.

Continuing, he said it is true that the whole country is experiencing progress today. The reason for this progress is because of the efforts of different levels of law and order restoration councils and due to the collective endeavor by the monks and the people, including all the state public service personnel who reside in the country. Hence, all the public service personnel are to do whatever is necessary by constantly upholding the three main tasks.

The meeting ended at 1622.

Commission Deregisters Another Party Coalition

*BK2506145991 Rangoon Radio Burma in Burmese
1330 GMT 25 Jun 91*

[Announcement No. 944 issued by the Multiparty Democratic General Elections Commission of the Union of Myanmar [Burma] on 25 June]

[Text] Subject: Cancellation of registration of Leading Strength of National Realism Center as a political party.

1. The Multiparty Democratic General Elections Commission of the Union of Myanmar announced that the Leading Strength of National Realism Center—a coalition of eight political parties—which had its headquarters at No. 131, 28th Street, Pabedan Township, Yangon [Rangoon] Division, and later moved to No. 591, Padauk Shwewar Road, No. 10 South Ward, Thaketa Township, Yangon Division, was permitted registration as a political party by the commission in accordance with Article 5A of the Political Parties Registration Law on 28 February 1989. This was stated in announcement No. 239 issued on that day.

2. However, since none of the original eight coalition parties exist anymore the front has been automatically invalidated.

3. Thus, the automatically invalidated Leading Strength of National Realism Center has been deregistered as a political party with this commission with effect from 25 June 1991.

By the authority vested in me,
Signed: Aye Maung, secretary

Brunei, Malaysia & Singapore

Malaysia

Commentary Hails Efforts To Boost Chilean Trade

*BK2506103191 Kuala Lumpur Voice of Malaysia
in English 0800 GMT 25 Jun 91*

[Station commentary by Michael Raj]

[Text] Another milestone has been reached in Malaysia's international relationship with other countries. This time through the painstaking efforts of Prime Minister Datuk Sri Dr. Mahathir Mohamed, a Malaysia-Chile Business Council has been set up. Aimed at boosting trade between the two countries, the council represents an opportunity for Malaysian businessmen to tap yet another potential vast market.

This time it is the South American market. This is without doubt the true reflection of concrete measures to step up South-South cooperation. Although often countries in the South look forward in enhancing their trade with the North, but they failed to realize the various vast potentials for cooperation between South-South countries.

The move taken by Malaysia and Chile will lessen their dependence on the northern market. Also by coming together, they would be able to increase their bargaining power in international trade reform. As to be seen from the feedback of the visiting Malaysian delegation to the South American countries, there is much scope for trade. No doubt there would be problems. Being a new market, various obstacles need to be overcome first.

Malaysian businessmen should try and make an effort to penetrate this new market. Who knows? Chile could prove to be a valuable launching pad for the vast South American markets which include Brazil and Argentina, and many other countries.

It is encouraging to note that Chilean businessmen have expressed their interest to come to Malaysia to explore for more avenues. Already steps had been taken to establish direct air and sea links between the two countries to facilitate trade and people to people contact. Moreover the scope for increased trade is there. Both countries have reaffirmed their commitments to a system of an open economy.

For the Chilean businessmen, they could use Malaysia to export their goods to the Asia-Pacific region. To date, a trade agreement has been signed between the two countries. But those matters such as customs duties, internal taxes, shipping arrangements could be looked into. All these will be aimed at bringing economic ties between the countries to a much more meaningful level. Both countries also signed an agreement on economic, scientific, and technical cooperation. The pact would identify programs for their joint collaboration.

This is only the beginning. The Malaysian delegation (is) currently visiting Brazil and Argentina. Overall, it would bring the Latin American markets much closer to Malaysia. It would also further to cement ties between the countries, both of which are South-South countries. Together, the countries should promote a further economic growth in each other's regions.

With the internationalization of the marketplace, Malaysia has taken the right step in increasing its trading partners. Together, Malaysia and Chile can forge a common ground in regional cooperation. There is much to give and take. It is about time other developing countries do likewise and reach out for countries in regions other than their own.

Second Outline Perspective Plan Approved

BK2506144891 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 25 Jun 91

[Text] The Dewan Rakyat [Lower House of Parliament] has approved the motion on the second Outline Perspective Plan, OPP2, 1991-2000 after six days of debate. The motion tabled by Prime Minister Datuk Sri Dr. Mahathir Mohamed on the 17th of this month. Last Friday, Dewan Rakyat approved the name change for the new development policy to National Development Policy, NDP. The policy will succeed the New Economic Policy, NEP, which expired last year.

In winding up the debate, Deputy Prime Minister Mr. Ghafar Baba said the people could obtain copies of the National Economic Consultative Council, NECC, report from today. He said although not all of the NECC's recommendations were accepted in adopting of the OPP and NDP, the views and some of the rationale in the report were useful to the government. Mr. Ghafar urged the MPs, including from the opposition, to place importance on the people's cause and that of the country and not party interests. He said the government would accept in total all the recommendations in the NECC report if the decisions were consensus. Unfortunately, the opposition parties destroyed the people's hopes by boycotting the council and denying a consensus.

Cambodia

SRV Defense Minister Extends Greetings

BK2606015491 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 25 Jun 91

[Text] Here is a message of greetings from SRV Defense Minister General Le Duc Anh to Defense Minister Comrade General Tie Banh of our State of Cambodia:

On the occasion of the 40th anniversary of the glorious tradition of the Cambodian People's Armed Forces [CPAF], on behalf of cadres and combatants of the Vietnam People's Army [VPA] and in my own name, I would like to extend most sincere sentiments and best wishes to you and, through you, to fraternal CPAF cadres and combatants.

In the past four decades, pursuing the revolutionary tradition of the Issarak Army, not only have the CPAF grown up and developed firmly, but they have also joined with the people throughout the country in waging a most difficult and arduous struggle full of sacrifices, ultimately winning independence and freedom for the motherland and liberating the people from the yoke of domination by the capitalist colonialists, imperialists, and the genocidal clique.

As close and intimate friends, the Vietnamese people and VPA are very happy and proud of the achievements scored by all comrades. We are convinced that the Cambodian people and CPAF will make even greater achievements in the cause of defending and building their beautiful Land of Angkor.

On the occasion of this glorious traditional festival, we would like to express our deepest and most sincere gratitude for the valuable support and assistance that the Cambodian party, people, and CPAF have given the Vietnamese people and VPA in pursuing our revolutionary cause, in the past and at present.

May the bond of special solidarity, friendship and harmonious cooperation between our two peoples and armies continue and develop even more firmly.

May the comrade minister enjoy good health, success in all your noble tasks, and happiness in life.

SPK: Enemy Military Activities 16-20 Jun

BK2606070891 Phnom Penh SPK in English 0511 GMT 26 Jun 91

[Text] Phnom Penh SPK June 26—About 1,250 Khmer coalition troops attacked government positions in the provinces of Battambang, Siem Reap, Banteay Meanchey, Kompong Chhnang and Kompong Thom between June 16 and 20.

On June 16, about 50 enemy troops engaged government forces at a place 2 km north of Mkak Village, Banteay Meanchey Province. During a 30-minute counter-attack, the government troops killed 13 enemy agents, captured

five others, and seized seven guns and other war gear. That day, three other coalition troops conducted sabotage [as received] acts in an area 6 km southwest of Svay Chek, same province.

Also on that day, 200 Sihanoukists in collaboration with 40 troops of Pol Pot faction were deployed at areas 8-13 km north and northwest of Chikreng District, Siem Reap Province. The following day about 500 men of Sihanouk faction together with four pieces of artillery and recoilless guns were gathered at areas 10, 13 and 19 km north, northwest and northeast of Samraong District, same province. Two of the 20 Sihanoukists who robbed 10 bovines from farmers in Kon Kriel Village were killed on the spot during an ambush by government forces on the robbers.

Ten other Polpotists also robbed bovines from the villagers in an area 8 km northeast of Phnum Srok District, Battambang.

On June 18, about 50 Sihanoukists attacked government forces in a place 9 km northeast of Angkor Chum District, Siem Reap.

In a counter-attack by the government forces, three enemy troops were wounded and a number of war means seized.

That day, some 50 Polpotists raided a government post in Banteay Baos Village 14 km southeast of Svay Chek, Banteay Meanchey.

On June 19, ten truckloads of Pol Pot troops of Division 519 totalling 200 men together with two tanks were sent to a place 16 km southeast of Svay Chek. In Kompong Chhnang Province 15 enemy scouts were sent to reconnoitre an area 16 km southwest of Samakki Meanchey District.

About 70 Sonsannians were also massed at a place northeast of Samraong District, Siem Reap, that day.

On June 20, five Polpotists were killed and a quantity of war means seized during a 30-minute counter-attack by the government forces at a place 17 km east of Sala Visai Village, Prasat Sambo District, Kompong Thom Province.

During these days, the enemy troops made several attacks by firing hundreds of artillery shells and rockets on government positions in Siem Reap and Kompong Cham Provinces.

In another development, Thai L-19 reconnaissance planes intruded 16 km into Cambodian airspace over Pailin region on June 17 and 18. On June 17, Thai reconnaissance aircraft sprayed toxic chemicals on the position of government regiment 6, poisoning 12 government soldiers.

VODK on Desire for End to SRV 'Aggression'

BK2606044191 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 25 Jun 91

[Station commentary: "The Cambodian people earnestly want the Vietnamese war of aggression and race extermination in Cambodia to be resolved through comprehensive political means in line with the basic texts of the framework document of the five permanent members of the UN Security Council."]

[Text] During the Vietnamese war of aggression and race extermination in Cambodia which has lasted for nearly 13 years, the Cambodian people have experienced untold miseries. The Vietnamese aggressors have massacred our people in an attempt to exterminate the Cambodian race in a premeditated and systematic manner, using all kinds of weapons, causing the tragic deaths of over 2.5 million Cambodians and forcing millions of survivors to leave their villages and farm lands—some to become displaced people in their own country and others to take refuge in Thailand, Europe, the United States, and other countries. Those Cambodians who are living in the zone temporarily controlled by the Vietnamese aggressors have also been oppressed, robbed, and bullied daily. They have been arrested, jailed, raped, tortured, and drafted to serve the K-5 plan and to fight and die on behalf of the Vietnamese aggressors and race exterminators.

This great misery and suffering experienced by the Cambodian people is unprecedented in the history of Cambodia. Therefore, the Cambodian people desire a quick end to this war of aggression in Cambodia and the restoration of peace to Cambodia so that they can live happily, enjoying national independence and the rights to self-determination. The Cambodian people want to live, defend, and build their country as other people throughout the world. The Cambodian people want genuine peace in which the Vietnamese aggressors must withdraw all their troops from Cambodia under the thorough supervision of the United Nations.

On 28 August 1990, the five permanent members of the UN Security Council [UNSC] adopted a framework document for resolving the Cambodian problem through comprehensive political means. The main points of this document are as follows:

1. Vietnam's genuine withdrawal of all its troops from Cambodia under UN supervision.
2. The dispatch of a UN Transitional Authority to Cambodia [UNTAC] and UN Peacekeeping Force composed of a sufficient number of civilian and military personnel and means to conduct comprehensive supervision in Cambodia, particularly to verify the total withdrawal of Vietnamese troops from Cambodia and to ensure that the Vietnamese will not return to Cambodia.
3. The holding of a free, fair, and democratic general election in Cambodia under UN supervision.

This document has been welcomed by the entire international community and accepted by the four Cambodian factions who regard it as the sole correct and fair basis for settling the Cambodian problem, thus restoring peace, security, and stability to Cambodia.

The Cambodian people fully support the proposals of the five UNSC permanent members, particularly the point dealing with the total withdrawal of Vietnamese forces from Cambodia under thorough UN supervision. This is because only after Vietnam really withdraws all its aggressor forces—real or disguised troops, administrative officials, and Vietnamese immigrants—from Cambodia, can Cambodia regain peace, security, restore national reconciliation, and hold a free and fair election. But if Vietnam only pays lip service to the troop withdrawal while in fact having secret forces still present everywhere in Cambodia—either disguised as troops implanted in the puppet army or administrators in the puppet regime, and over 1 million Vietnamese immigrants still living in Cambodia—can there be peace and security in Cambodia? Can national reconciliation be achieved? Can a free and fair election be held? No, all of these are impossible. This is because these implanted Vietnamese forces will continue to provoke and further kindle the war in Cambodia, thus preventing Cambodia from regaining peace and security.

Therefore, the Cambodian people hope for the Cambodian problem to be settled through a comprehensive political solution in line with the five UNSC permanent members' framework document.

Three Vietnamese Boats Sunk in Kompong Cham

BK2606025091 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jun 91

[Excerpt] Cambodian national resistance forces have reported from the east Kompong Cham battlefield that, on 10 June, our people and self-defense forces informed our guerrillas to prepare an ambush for three Vietnamese enemy aggressor boats carrying enemy war materiel.

The next day [11 June], two people, in cooperation with three self-defense force members, led five of our guerrillas to prepare the ambush to sink the boats carrying war materiel of the Vietnamese enemy aggressors and race exterminators between Chihe and (Mahateak). We divided our forces into two groups. The first group laid the ambush 3 km below Chihe and the second waited at (Mahateak) in Maha Khnhung Commune, Kaoh Sotin District, Kompong Cham Province.

When the three boats carrying war materiel of the Vietnamese enemy aggressors came up on the Mekong River from Prek Pou into our ambush, the first group of our guerrillas sank two of the Vietnamese enemy's boats; five of the Vietnamese enemy soldiers protecting the boats were killed. The remaining boat panicked and turned back but was sunk by our second group of guerrillas; three Vietnamese enemy soldiers were killed.

Our people's great national union forces, compatriot Cambodian soldiers, and our guerrillas sank the three boats; killed eight Vietnamese soldiers protecting the boats; and destroyed all the war materiel. [passage omitted]

SRV Soldiers Ordered To Marry Cambodians

BK2606042191 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jun 91

[Text] When our Cambodian national resistance forces, in cooperation with patriotic Cambodian soldiers, attacked positions of the Vietnamese enemy aggressors and race exterminators in Kantuot Commune, Choam Khsan District, Preah Vihear Province on 25 May, killing eight Vietnamese enemy aggressor soldiers on the spot and wounding 12 others, guerrillas of our people in Kantuot captured eight Vietnamese aggressor soldiers who were routed and fled the Kantuot commune positions. These eight Vietnamese soldiers can roughly speak Cambodian and disguised themselves by wearing the puppet troops' uniforms.

Our guerrillas captured these routed soldiers when they tried to enter villages and steal our people's rice. These eight Vietnamese soldiers admitted to our people that they were sent by the Hanoi leaders to Cambodia before the 1 May cease-fire to attack and seize liberated zones from the national resistance. They said they were ordered by the Hanoi leaders to infiltrate the Kantuot Commune, gain fluency in the Cambodian language, and marry Cambodian wives in Preah Vihear Province.

Indonesia

Official Says Free Exchange System To Remain

BK2506024491 Jakarta THE JAKARTA POST in English 17 Jun 91 p 1

[Text] Jakarta (JP)—The Central Bank will not regulate foreign borrowings of the private sector despite the sharp increase in offshore loans by Indonesian companies.

"The government will continue to maintain the free foreign exchange system," Bank Indonesia's Director Binhadi told newsmen here on Saturday after the closing ceremony of a banking training course.

Binhadi said the inflow of offshore loans to the private sector had not yet reached a critical level.

"After all, the central bank closely monitors the net open position (exposure to foreign exchange) of all banks," he said.

Finance Minister J.B. Sumarlin and Bank Indonesia's Governor Adrianus Mooy have strongly appealed to private banks to refrain from overseas borrowings because the interest rates charged by foreign creditors had exceeded one percentage point above the London Inter-bank Offered Rate (Libor).

Foreign borrowings of the private sector, notably state and private banks, have surged since last year. According to the World Bank, the inflow of foreign loans to the private sector over the past year alone increased by more than 45 percent to US\$6 billion.

Binhadi said the central bank could not intervene directly in foreign borrowings by the private sector but "especially with regard to banks' offshore loans, we oversee them through the ruling on the maximum net open position (20 percent of capital) they are required to observe."

Ceiling

"The central bank will not impose interest rate ceilings for private offshore borrowings in view of the fluctuations in the financial market. Moreover, interest rates are something that the creditors and borrowers should decide for themselves," Binhadi said.

He said foreign creditors, in evaluating credit proposals from companies in Indonesia, would assess the credibility of the potential borrowers and the general prospects of Indonesia's economy.

Binhadi reemphasized that the government would not change the free foreign exchange system because it was crucial for stimulating private investments, including those from overseas.

"We will not touch the free foreign exchange system as this policy is fundamental," he said.

Binhadi nevertheless suggested that private banks do not accept offshore loans which charge more than 0.8 percentage point over Libor.

Replying to newsmen's questions about the bill on banking which will soon be discussed by the House of Representatives (DPR), Binhadi said the bill stipulated, among other things, detailed provisions on the scope and responsibility of the central bank's supervision.

The bill, for example, empowers the central bank to demand the replacement of the management of a problem bank (in crisis), to force the bank to merge or to sell part of its shares.

The legislation also allows foreign ownership of shares of Indonesian banks but the ownership percentage has not been determined yet.

Turkish Foreign, Defense Minister Meets Atalas

TA2406125691 (Clandestine) Bayrak Radio
in Turkish to Cyprus 1030 GMT 24 Jun 91

[Text] Kenan Atakol, foreign affairs and defense minister, met with Indonesian Foreign Affairs Minister Ali Abdullah Atalas and other high-level officials in the ministry. Commenting on his contacts to TAK [Turkish News Agency in Cyprus], Atakol said that the meeting, which lasted one and a half hours, was beneficial. He added that views were exchanged on the Cyprus question

as well as various other issues. Atakol thanked Indonesia for supporting the Turkish Cypriot people, expressing satisfaction over Indonesia's confirmation that this support will continue in the future as well.

This afternoon, Atakol will meet with the foreign affairs committee chairman of the Indonesian parliament and other parliamentarians.

Report on Mounting Pressure for Political Reform

BK2506024891 Jakarta THE JAKARTA POST
in English 20 Jun 91 p 1

[Text] Jakarta (JP)—A noted scholar says President Suharto's government is facing increased pressures to liberalize the political system more than two decades after Suharto came to power.

"After more than two decades of political stability ... [ellipses as published] pressures are increasing for political liberalization from an emergent Indonesian middle class, academics, intellectuals, and human rights groups as well as several dissident groups," says Dr. Yuwono Sudarsono, professor of social and political sciences, and dean of the School of Social and Political Sciences at the University of Indonesia.

He was speaking at a half-day workshop organized by the ASEAN Travel Association here. The theme of the meeting was Indonesian political directions between 1991 and 1995.

President Suharto, who rose to power in 1967 after crushing a communist coup attempt in 1965, will complete his fifth uninterrupted and unchallenged five-year term in March 1993. There has been no official indication so far as to who would be the next president. But Suharto said in an autobiography that this could be his last term.

Yuwono told the forum that an emerging middle class and other pressure groups would push for political liberalization because it was time for them to do so.

"The Suharto government is in essence facing up to the problems arising from its successes in maintaining political stability and economic growth," Yuwono said.

"Its legitimacy is primarily based on its macroeconomic success over the past twenty years: strict monetary control, balancing of the budget, building infrastructure and debt management..." [ellipses as published]

The government has responded favorably to demands to restructure the political system but "depending on the officials, there are varying degrees of interpretations as to the scope, speed and intensity of that openness," Yuwono remarked.

He noted that over the past few months "there have been increased demands for greater openness in the media."

Most recently the House of Representatives held a hearing with mass media editors to discuss the mechanism under which government revocation of publishing licenses would be considered acceptable.

Yuwono also cited "greater latitude" in discussing national leadership succession—the succession of president and vice president.

He said that there was now the possibility for a more open and "competitive candidacy for president and vice president."

He hinted that this was in contrast to the situation in the 1978, 83 and 87 elections when "President Suharto was unchallenged and candidates from parties other than the ruling Golkar [Functional Group] were reluctant to step forward."

He said a major aspect in political discourse was the "diminishing role of active as well as assigned military officers" in ministries, enterprises and provincial administrations.

Turning to one of the country's most immediate problems, Yuwono said that the issue of reducing poverty was one which would need to be given more serious consideration.

Yuwono said that from the outset, in 1966-67, President Suharto had stressed that "ultimately, a nation's foreign policy weight will depend on its ability to provide the nation with a vibrant economy."

In 1976, out of a total of 123 million, more than 50 million Indonesians lived below the poverty line. In 1989, roughly 30 million came under this category. In the year 2016 it is expected that the number of Indonesians living below the poverty line will be 12 million, out of a total population of roughly 215 million.

Meanwhile, economist Dr. Iwan Jaya Azis told the forum that the successes in Indonesian economic development would have unpredictable side-effects in the next five years.

He cautioned that economic growth would stand at an average of 6.6 percent annually between 1991 and 1995 from last year's level of 7.1 percent. And if world oil prices should drop to US\$16.5 a barrel, the government would face serious problems even with foreign loans, he explained.

Also addressing the forum was (?Jonathan) Parapak, secretary general of the Ministry of Tourism, Post and Telecommunications.

He said the national political condition had a direct effect on the flow of foreign tourists and growth of the tourism industry in general.

Chinese Businessmen Urged To Team With Locals

BK2506024691 Jakarta THE JAKARTA POST
in English 17 Jun 91 p 1

[All quotation marks as published]

[Text] Jakarta (JP)—The incidence of corruption and manipulation in the private sector has been increasing along with rapid growth of private business activities, says an Indonesian minister.

"I hesitate to say that corruption within in the private sector at present may be more extensive than in the public sector," Public Housing Minister Siswono Yudohusodo said here on Saturday at a breakfast gathering celebrating the 19th birthday of HIPMI (the Association of Young Indonesian Businessmen) at Hotel Indonesia.

"The fact is that economic crimes have been on the rise in the rapidly expanding private sector," he said.

"If a government employee is corrupt, he or she will be prosecuted under the law. However, when corruption occurs in the private sector, the violators will most of the time escape unpunished.

"Most businessmen prefer to settle corruption cases peacefully by asking the culprits to resign, still giving them letters of good conduct to enable them to work in other private firms.

This phenomenon has adversely effected the development of Indonesian entrepreneurship."

Therefore, he urged HIPMI to improve the development of a good working culture and a clean-business culture by dealing firmly with any "deviations" in private companies.

Siswono said that private business activities had played an important role in the development of Indonesian economic growth. Ironically, the private sector is dominated by Indonesian businessmen of ethnic Chinese origin.

However, Siswono pointed out that "successful ethnic Chinese businessmen are our national assets who also strengthen the country's economic resilience."

He said that the success of those businessmen was not just the result of their experience, skills or hard work but also of the facilities given by the state-owned banks, tax incentives given by the government in an attempt to increase investment and various other facilities including the forest concessions," he said.

Therefore, in order to remove the seed of "social jealousy conflict" in society, Siswono asked ethnic Chinese businessmen to link their businesses with indigenous businessmen, who are short of experience and capital.

He also quoted president Suharto as saying that the growing number of capable local businessmen should be increased and supported to expand their economic activities.

He said business cooperation or linkages between indigenous and non-indigenous businessmen should be developed out of their own conscience and not on the basis of any government regulations.

At the meeting Bambang Sujagad Susanto, chairman of the HIPMI Batam chapter, complained that business development on Bintan island (nearby Batam) had been dominated by conglomerates from Jakarta.

Bambang wondered why the government had granted only two business groups (one owned by Liem Sioe Liong) the right to acquire land for business ventures on Bintan island.

The groups, he added, paid only about Rp 200 (US\$0.10) for each square meter of land they acquired from the local people.

But the meeting, which was also attended by other HIPMI leaders such as Abu rizal Bakrie, Jan Darmadi, and Abdul Latif, did not respond to the complaint.

Minister Says Price Hike To Cut Consumption

BK2506141291 Jakarta ANTARA in English 1300 GMT 25 Jun 91

[Text] Jakarta, Jun 25 (OANA/ANTARA)—The government's plan to increase oil fuel prices in the near future is not merely intended to abolish subsidy but also to cut fuel oil consumption at home, Minister of Mines and Energy Ginandjar Kartasamita said here Tuesday.

The minister in a parliamentary hearing with House Commission VI led by its chairman M.S. Situmorang, said that the government is studying further details for fixing a new price for fuel oil.

Ginandjar said that the provision of subsidy is in principle intended to help low income people through the fixing of sale price of certain types of fuel oil which is lower than the production cost.

The subsidy should continue to be provided as long as there are still people whose income is not enough to buy fuel oil, the minister added.

Therefore, the government in fixing a new electricity tariff and oil price always pays attention to the purchasing power of the people and the competitiveness of industries at home, regardless the fact that subsidy is actually an unsound economic system, the minister said further. In this case, he added, the abolition of subsidy should be carried out in stages based on the people's ability.

On the occasion, the minister also explained that there is no direct connection between the government's decision

to increase the civil servant's salary by 15 percent and the plan to adjust the electricity tariff and fuel oil price.

Member of Commission VI Sunaryo Haddade at the meeting said that the government should not see fuel oil subsidy in the state budget calculation as an element that should be removed because subsidy is one of the instruments for the execution of national development.

Advanced states such as Japan and France still include subsidy as an element in the calculation of the state budget, Haddade said.

Yan Mokoginta, another commission member, said that one should not stick to the state budget calculation when discussing subsidy because tax element has been included in calculating the sale price of fuel oil.

Minister Ginandjar said that any proposals received by his ministry will be accommodated as an important input for the government in fixing the fuel oil price.

We will accept any input given by the people, either through the DPR [House of Representatives] or mass organizations to be used as consideration materials in fixing a new fuel oil and electricity tariffs, the minister added.

He reaffirmed that the government plans to adjust the electricity tariff and fuel oil price will always be based on the national interest.

Minister Says Press Regulations Remain Unchanged

BK2506133991 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 25 Jun 91

[Text] Information Minister Harmoko said the press should not be worried about the possibility of having their licenses revoked as long as they carry out their functions according to existing rules and regulations. This was stated by Information Minister Harmoko while replying to a question from a member of parliament at a hearing session with parliamentary Commission I in Jakarta today. The commission was headed by Doni Herlaumarjono.

He said publications by the press should not threaten national security, public order, or create an undesirable situation for the community. Minister Harmoko also stressed that press publications based on Communism, Marxism, Leninism, and those that violate the Pancasila concept are absolutely forbidden.

Replying to a question concerning the launching of an information program for the upcoming 1992 general elections, Minister Harmoko said there were challenges to be met in drawing up such a program.

Laos**Phomvihane Greets New Indian Prime Minister**

BK2606020091 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 26 Jun 91

[Text] On 26 June, His Excellency [H.E.] Kaysone Phomvihane, chairman of the Council of Ministers of the Lao People's Democratic Republic [LPDR], sent a congratulatory message to H.E. Narasimha Rao, prime minister of the Republic of India, in New Delhi.

The message reads: On the occasion of your election to the post of premiership of the Republic of India, on behalf of the LPDR Government, the Lao people, and in my own name, I would like to extend my sincere congratulations and best wishes to your excellency for brilliant fulfillment of your noble tasks. I believe that under your leadership, the existing friendship and good cooperation between the governments and peoples of our two countries will be further developed and strengthened in the future for the common interests of our two peoples, thus contributing to the cause of safeguarding peace and stability in this region and in the world.

Memorandum With Burma on Border Survey Signed

BK2506132991 Vientiane Vitthayou Hengsat Radio
Network in Lao 1200 GMT 25 Jun 91

[Text] The Lao, and Myanmar [Burma] Technical Border Committees signed a memorandum in Vientiane this morning. The technical border committees jointly conducted a survey on the demarcation line between the two countries from January to May. One-hundred and ten out of 256 kilometers of the land and water along their common border has been surveyed. The memorandum signed this morning gives the result of the first phase of the survey operation, and the survey operation to be conducted in the dry season of 1992, as well as a number of related undertakings.

Signing the memorandum for the Lao and Myanmar sides were Ouan Phommachak, deputy director of the Second Department of the Foreign Ministry and head of the Lao-Myanmar Technical Border Committee, and (U Wynn Lwin), director of the Boundary Department and head of the Myanmar-Lao Technical Border Committee.

Philippines**Aquino Tours Mt. Pinatubo Stricken Area 26 Jun**

HK2606051991 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 26 Jun 91

[Text] President Aquino today assured victims of Mount Pinatubo that government assistance and programs will be instituted in areas affected by the volcano. This morning, the president toured Zambales to personally view the damage wrought by Pinatubo. Accompanying her were several cabinet members and other officials.

In her short talk, the president explained the government programs to be instituted as a result of Mount Pinatubo's eruption:

[Begin Aquino recording] ... We are looking into how we can rebuild the bridges and the schools for our children. We also met yesterday, along with Secretary Folloso of the Department of Science and Technology, with various people to see what we can do about [words indistinct] in the provinces of Central Luzon. We are directing Secretary Carague to ensure that hollow blocks can be distributed to various groups here. We will also help by giving you hollow block-making machines and cement. [Words indistinct] to give you livelihoods, because I know you are in grave difficulty now. That is what we will do immediately to help you. [applause] [end recording]

Declares Provinces Calamity Areas

HK2606081591 Manila BUSINESS WORLD in English
26 Jun 91 p 10

[By Ma. Caridad S. Bautista, reporter]

[Text] The whole of Zambales, Tarlac and Pampanga have been declared calamity areas by President Aquino, Defense Secretary and National Disaster Coordinating Council chairman Fidel V. Ramos announced yesterday.

As this developed, Mr. Ramos assured residents around Mt. Pinatubo that early warning devices will be set up by today.

In a press conference, Mr. Ramos said that upon his recommendation, Pres. Aquino declared the three provinces under a state of calamity so more funds can be released to them.

In the past weeks, only six areas in Zambales, two in Tarlac, six in Pampanga and one in Bataan were declared calamity areas.

Mr. Ramos, however, said, "provincial governors can release money to areas not covered if they see that it is needed."

EARLY WARNING SYSTEM

The early warning systems meanwhile, will be manned by soldiers of the Armed Forces of the Philippines' Special Forces Group.

Ten soldiers per team will be stationed within a 20-km. radius of Mt. Pinatubo. They will stay in Poonbato, Maraunot and Laungatan rivers and Maquineng in Zambales; Negrito in Tarlac; and Sacobia river, Porac, Sapang Bato and Gumain in Pampanga.

"The warning comes 10 to 20 minutes before mud flows out of the volcano," said Mr. Ramos.

At the onset of the alarm, the soldiers stationed will radio the regional disaster council centers. The message will be relayed to areas expected to be hit by mudflows.

Mr. Ramos said the setting up of the warning system will be completed today.

Local and American volcanologists report that "lahar" or mudflow poses the greatest danger to life and property.

"That is why," he said, "I have tasked the military to be the primary agency to handle this."

Cost of Luzon Farmland Rehabilitation Viewed

HK2606022291 Manila THE CHRONICLE in English
26 Jun 91 pp 1, 6

[By Elizabeth Perez]

[Text] Agriculture Secretary Senen Bacani yesterday said rehabilitation work on the more than 80,000 hectares of agricultural lands affected by the eruptions of Mt. Pinatubo would cost at least P [Philippine pesos] 845 million.

The Department of Agriculture launched a full-scale farmland rehabilitation program dubbed "Oplan: Sagip Bukid [Operation Plan: Save the Farms]," despite mudflow alert issued by the Philippine Institute of Volcanology and Seismology (Philvolcs).

Bacani said that under the program, an estimated 75%, or about 60,000 ha, of farmlands would be replanted by September, the end of the current cropping season.

He added that some farmers in Floridablanca and Sta. Rita towns in Pampanga had started plowing and replanting ricelands buried under four to six inches of ashfall.

"Our farmers won't just sit down and let their lands be covered with more ash," Bacani said. "Kahit na walang [Even with no] prompting from us, they'll go ahead and try to rehabilitate their farms on their own."

Bacani said that warnings of coming mudflows apparently have not fazed affected farmers in their efforts to make their lands productive once more and in the soonest possible time. "I think that's (mudflows) a risk they are willing to take," he added.

Rehabilitation work on the other 20,000 ha of damaged farmlands might have to wait, however, as these are located directly in the path of mudflows expected to be triggered by the coming rains, Bacani said.

Soil and farm rehabilitation would require at least P385 million and may be completed within the next two months, he added.

Repair of damaged irrigation systems and facilities, on the other hand, would cost P280 million, according to Bacani. Reports from the National Irrigation Administration (NIA) showed that at least 50 irrigation systems servicing roughly 18,000 ha of palay and corn fields within the 30-km radius surrounding Mt. Pinatubo had been destroyed during the volcano's eruptions.

The other components of the program's funding requirement are: P100 million in credit assistance for displaced farmers; P25 million to restore at least 1,000 ha of destroyed fishponds; P20 million in assistance for destroyed poultry and livestock farms; P20 million for research and extension services; P10 million to repair damaged facilities of the agriculture department; and P5 million to restore destroyed fruit trees.

Bacani expressed confidence the agriculture department would be able to source the funding requirements from the P7 billion left from last year's earthquake rehabilitation funds.

Moreover, several international agencies and foreign donors have signified their willingness to extend financial assistance to the government's relief and rehabilitation operations, he said.

Bacani also rejected a proposal made by the Congressional Budget and Planning Office to temporarily import rice and sugar to avert any possible shortage of these commodities following the Mt. Pinatubo eruptions.

He explained that the projected national rice production of around 10 million metric tons for this year will not be significantly affected by the Mt. Pinatubo disaster, and that whatever shortfalls that may result can be easily filled by rice farms in the Cagayan Valley region.

Aquino Signs Law on Presidential, Local Polls

HK2106151791 Manila MANILA BULLETIN
in English 21 Jun 91 pp 1, 20

[By Marcia C. Rodriguez]

[Text] President Aquino signed into law yesterday the holding of the national elections for president, vice president, 24 senators and members of the House of Representatives on the second Monday of May 1992 and the local polls for provincial, city and municipal officials on the second Monday of November 1992.

The President also signed Republic Act [RA] 7055 which strengthens civilian supremacy over the military by returning to the civil courts the jurisdiction over certain offenses involving members of the Armed Forces of the Philippines (AFP), Philippine National Police (PNP) and other persons subject to military law.

The holding of separate elections is embodied in Republic Act 7056 which also paves the way for the synchronized and simultaneous polls starting 1995 to minimize the divisiveness and expense of too frequent elections.

In a related development, Commission on Elections (Comelec) Chairman Christian Monsod said the poll body will take the initiative to investigate cases of alleged electioneering by persons who declare their intention to run for the presidency.

Monsod said that he will order the investigation even without a formal complaint filed with the poll body. Monsod said the Comelec has formed an advisory committee composed partly of both opposition and administration members who will suggest ways of improving the systems and procedures of the poll body in preparation for the coming elections.

At the signing ceremonies of RA 7056 before some members of Congress, the president cited the importance of elections in a democracy, more particularly the 1992 elections.

"Election is the means through which the citizens participate in the exercise of a basic right of citizenship, the right to select the men and women to whom they will entrust the reins of government for the time being. The certainty and regularity with which elective incumbents succeed each other are stabilizing factors in a representative democracy," she said.

Expressing hopes that the coming elections will not be marred with violence as in the previous political exercises, she said: "For the first time since 1969, there will be a peaceful and regular succession in the offices of President and Vice President, a democratic practice abolished by the martial law dictatorship."

Mrs Aquino also indicated that she will no longer seek a reelection. She said that power will be transferred to the next president on June 30 next year as mandated by the Constitution.

"Hence, we must hail the 1992 elections as an important milestone in the rebuilding of our democratic institutions. There will be a peaceful transfer of power at noon of the 30th day of June 1992 in the highest office of the land," she added.

Citing the essence of RA 7056, she quoted Section 1 which states: "It is the policy of the State to start, as much as practicable, the synchronization of the elections so that the process can be completed in the 1995 elections with the result that beginning 1995 there shall be only one simultaneous regular elections for national and local elective officials every three years.

"Obviously, the purpose is to ensure political normalcy by minimizing the divisiveness and expense of too frequent elections."

In justifying the desynchronization of the 1992 elections, RA 7056 states: "In view of the many difficult if not insurmountable problems to a full and immediate synchronization of all elections on the second Monday of May, 1992, all incumbent provincial, city and municipal officials shall hold over beyond the 30th day of June, 1992 and serve until their successors shall have been duly elected and qualified."

The tenure of the newly elected local officials will start at noon of Nov 30, 1992.

After signing the Civilian Supremacy Act, Mrs Aquino remarked that the law is a "major breakthrough" in restoring to the civil courts jurisdiction over crimes or offenses committed by military or police elements against civilians.

She noted that the law repeals Presidential Decrees [PD] 1822, 1822-A, 1850 and 1952.

PD 1822 and 1850, two of the legacies of the previous regime, made all offenses committed by members of the Armed Forces of the Philippines, the Philippine Constabulary, the Integrated National Police, including firemen and jail guards, and all persons subject to military law exclusively triable by military courts though clearly jurisdiction over common crimes rightly belongs to the civil courts.

She said RA 7055 hopes to "instill true discipline in the ranks of our military and police establishments in the interest of public service, restore the civilian character of our police force and buoy up the morale of its members and hopefully, rekindle the people's faltering faith in our military and police institutions."

"Indeed the passage of Republic Act No. 7055 will redeem the pledge of this government, not only to render justice to every citizen but to put in place a credible, humane and effective system of justice. We would now uphold the principle enshrined in our Constitution that civilian authority is at all time supreme over the military," she said.

Justice Secretary Franklin Drilon, who recommended to President Aquino the signing of RA 7055, said the new law will make it easier for the government to punish abusive men in uniform. He noted that erring security forces are tried by their own peers in military courts.

Citing the importance of the new law, he said: "There is the unfounded belief within the AFP that disciplining abusive soldiers and officers would tarnish the image of the military institution."

Aquino on Philippine Navy's 93d Anniversary

*HK2406035091 Quezon City Radyo ng Bayan
in Tagalog 0127 GMT 24 Jun 91*

[President Corazon Aquino's speech during the 93d anniversary of the Philippine Navy; at Philippine Navy Headquarters—live; in English]

[Text] Admiral Mariano Dumangcas, Undersecretary Leonardo Quisumbing, General Lisandro Abadia, Colonel Gorgonio Sapatos, your excellencies of the Diplomatic Corp, the honorable members of Congress, the officers, men and women of the Philippine Navy, ladies and gentlemen.

Today, as the Philippine people pay tribute to the Philippine Navy on its 93d anniversary, I salute its men and women for having preserved the high standards of the naval profession. And even as I congratulate you, I

also pay tribute to all those who man our distant outposts; the marines who secure critical areas, the white cubs who sail the ships, and all the other naval officers and men who continue to serve our country with honor.

The need for a navy to truly unite our people has long been felt. It was recognized by the heroes of the 1896 revolution in the struggle against the Spaniards as we also feel its importance today. For indeed an archipelago such as ours, needs a strong navy, not only for war but more so, for peace—one capable of controlling our sea lanes and maintaining the integrity of our national territory.

The threat from insurgency has dwindled. It no longer poses an imminent danger to our society, nor our institutions as in previous years. We are now faced with the task of keeping our peace and sustaining the freedom we have struggled hard to regain. It is imperative for us to defend the nation's patrimony that these and future generations may remain free.

We have to look to our ships for the economic succor we need. This is a fact. For one thing, 67 million Filipinos are directly and indirectly employed in the fishery sector of our economy. Our waters team with marine life and minerals. It has been said quite often that our offshore resources are our last economic frontier. Our wide exploitation of this bounty may be the key to our economic salvation, and their defense, the paramount task of a navy in these times of peace. I am fully aware that the wide extent of our territorial waters and marine resources stretches our current naval capabilities beyond its limits. This is evident in the condition of our ships. Our ships are old. They are not economical to operate. In fact, their maintenance and repair are a major drain on the already scarce resources of the Navy. The task of enforcing our laws against foreign intruders, forgers, smugglers, and pirates, drains our economy and deprives government of much needed revenue. For every metric ton of fish that foreign fishing boats illegally extract from our waters, there is an equivalent loss of jobs and income from among Philippine fishermen and a consequent loss of revenue for the government. Our ability to enforce these laws has been hampered by the lack of operational capacity.

Thus, we are all agreed on the need to modernize the major service command that protects our coastal and marine resources. Investments in the Navy's modernization goes beyond the maintenance of the status quo. It will spell greater productivity for our marine-based sectors. It will assure the protection of our fishermen against harassment from foreign forces, stop forgers from intruding into our waters, and eliminate the smuggling of goods into and out of our country. I am aware that political decisions traditionally play a heavier emphasis on land-based investment over expenditures to develop or protect our seas. For land-based investments tend to yield more visible returns. But since the seas promise to yield more returns, albeit in the future, it is wise to deviate from traditional modes of thinking and redirect

the course of investments toward greater future gain. Ideally, we must invest our resources in endeavors which yield optimum results not only for the short-term, but more for the long haul. But our resources are finite when our priorities remain numerous. In addition, we have had to pull ourselves up, not just once, but several times within the past years due to the calamities that have visited us.

Our realities cannot match our dreams, noble as these dreams may be. We have started with the Navy's ten-year modernization program which includes plans for acquiring sophisticated naval systems. I have expressed several times in the past, how pleased I am over the Navy's plan to utilize new equipment in furthering research and transfer technology. I am happy that Congress has allocated a sizable amount to support the modernization of the Armed Forces including the Navy. Our plans therefore, will soon be realized. But if our resource limitations will not completely warrant the full and immediate realization of this goal, I am sure that you, from the Navy, can continue to innovate as you have shown in the past.

On this anniversary, I laud Admiral Mariano Dumangcas and his officers and men in the marine, the fleet, and the coast guards, as well as the Navy civilian employees for their dedication to their duties, loyalty to the Constitution, and faithful pursuit of their mission. Your lack of ship and equipment notwithstanding, you have continued to serve commendably. I specially congratulate today's awardees for being faithful to the Navy's standards of excellence. May these awards inspire you to make excellence a constant in your service to our country and people.

I ask you all from the Navy to sustain the zeal and energy that you have demonstrated in serving our people. I urge you to continue performing your duty in accordance with the standards of integrity, dedication, efficiency, loyalty, and self-sacrifice set by your tradition. Our people expect these from all of you and you should not let them down.

I once again salute the men and women of the Philippine Navy. Long live all of you! [preceding two sentences in Tagalog]

Navy Scheduled To Acquire Six Combat Ships

*HK2406094491 Manila MANILA BULLETIN
in English 22 Jun 91 p 8*

[By Wilma Yamson]

[Text] Rear Admiral Mariano Dumancas Jr., Philippine Navy chief, said yesterday the Navy will acquire six combat ships equipped with missiles and 10 search-and-rescue boats under its 10-year modernization program.

In a press briefing at the Navy headquarters in Manila, Dumancas said the country's naval forces in the next five

to 10 years will consist of a mix type of ships ranging from transport ships to fast attack craft.

This is intended to beef up the defense and security of the country's waters.

He said the country loses \$1 billion a year to foreign illegal fishers and poachers. It also lost P [pesos] 2.562 billion to smugglers who landed imported goods at various points of the country in the last five years.

"These are among the main reasons behind the drive to modernize the Navy because we can say that investing in the development of our naval capabilities can yield high rates of return," Dumancas said.

He said the modernization of the Navy goes with the upgrading of training of officers and enlisted personnel and other command systems.

He said since the beginning of the year, 368 officers and 1,316 enlisted personnel have been rotated in their assignments in accordance with the planned career patterns.

Debt Talks With Foreign Banks Said 'Snagged'

HK2606023291 Manila THE CHRONICLE in English
26 Jun 91 pp 1, 6

[By Rene Delos Reyes]

[Text] Negotiations in New York between the Philippine debt panel and foreign commercial banks for new money of \$250 million for the Philippines have been snagged by conditions the banks want incorporated in the proposed loan agreement.

Central Bank Governor Jose L. Cuisia Jr., who co-chairs the debt negotiating panel with Finance Secretary Jesus Estanislao, said some members of the seven-bank working group representing the Philippines' commercial creditors felt they could not raise the entire amount being sought by Manila. At most, the banks would be able to lend only \$150 million.

He said at least three of the banks in the advisory group requested the Philippines "to broaden the operations" of the loan package to include debt service or debt-stock reduction.

He said the Philippines will have to choose in the next few weeks between two options: pursue the new-money request and raise only \$150 million; or wait until the country has enough resources to finance a debt-reduction program with the participation of the banks. But this would generate less impact on bridging the short-term financing gap of the government.

He said the banks are facing difficulties of their own because if they make new loans under a pure new-money agreement, they would have to meet higher capital-adequacy standards set by their international banking community.

The Philippines had been asked by the banks to convert into bonds, or securitize, its remaining restructured debts in exchange for new money under the complementary financing scheme.

The two sides, however, could not agree on the ratio for conversion of old debts for new money. Cuisia said the Philippines had proposed a conversion ratio of three to one, but the banks wanted it higher.

Under the securitization scheme, the Philippines would exchange a portion of the restructured debts into bonds which could be nonrestructurable and not subject to new-money call.

Cuisia indicated the new-money package may be pursued because any new loans would be under the umbrella of the IMF-agreed economic stabilization program, making the package more attractive to many commercial bank creditors.

He also said the financing gap next year is an immediate concern.

The advantage to the banks to securitize old debts is that when the time comes for a new-money call, the banks will be required to contribute less.

On the Philippine side, the conversion of the remaining restructured debts would mean an erosion of the new-money base. And since the remaining restructured debt has been converted into bonds, the Philippines will then be able to ask for a restructuring of a smaller amount.

The commercial banks themselves are meeting next week to get a consensus on the request of the Philippines.

The complementary financial scheme [CFS] with the Asian Development Bank [ADB] had fallen through earlier when the banks requested that a paying agent be designated and the ADB rejected this because it would deviate from similar CFS it has.

Cuisia and Estanislao arrived yesterday after talking with creditors in Tokyo, Paris and New York.

In Paris, they managed to wangle a rescheduling of \$1.6 billion owed official creditors on condition that the Philippines work out the extension of its standby agreement with the IMF.

The standby agreement was supposed to expire July 1 next year and is likely to be stretched to end-December 1992.

The Paris Club creditors wanted the extension as some reassurance that during the period, the country would be strictly adhering to sound economics.

Under this agreement, the government agreed to meet certain targets in its finances meant to keep Manila on a sound financial footing.

P4.94 Billion Approved for Development Projects

*HK2006064591 Manila BUSINESS WORLD
in English 20 Jun 91 pp 1, 5*

[Anthony L. Cuayong]

[Text] The National Economic and Development Authority [NEDA] Board, in a meeting chaired by President Aquino, yesterday approved seven development projects to cost an aggregate P [pesos] 4.94 billion.

Under the Rural Roads Network Development Project Phase 1, P1.49 billion will be allocated for the construction and rehabilitation of 701 kilometers of road sections and 2,123 lineal meters of bridges along national, provincial, and barangay thoroughfares in Cavite, Masbate, Bohol, and Agusan del Norte.

Corollary to this, P342 million will be allotted to another component of the project designed to improve 56.45 kilometers of critical road sections in Tarlac and restore and reconstruct seven bridges with an aggregate length of 585.87 lineal meters located along two of the sections.

To boost the country's power-generating capacity, P1.39 billion will be appropriated for the Mak-Ban and Maibarara Binary Cycle Geothermal Project targeted at constructing associated transmission facilities and installing an 8x1.48-megawatt binary cycle geothermal plant in the Makiling-Banahaw geothermal area in Bay and Calauan, Laguna, and a 5x2.65-megawatt binary cycle geothermal station in Sto. Tomas, Batangas.

The Typhoon-Resistant Schoolbuilding Project Phase III, on the other hand, involves the construction of 22 and 50 schoolbuildings in Region II and IV, respectively, at a cost of P748.02 million.

Further, a total of P826 million will be allocated to the Petron Refinery Facilities Upgrading Project for the installation of additional desulfurization and liquefied petroleum gas production facilities aimed at eliminating existing bottlenecks in the downstream process units of Petron Corp's refinery operations and at allowing full utilization of the refinery's rated crude capacity of 155,000 barrels per day.

Finally, the NEDA Board gave the green light for the inclusion of Mankuyug Bridge under the P27.80 million bridge Reconstruction Project along secondary roads Phase III Group II and the deletion of the signalling and communications system from the ongoing P115.38 million Philippine National Railway main line south revitalization project.

PRIORITIES PLAN

The NEDA Board also approved the list of strategic industries intended as the focus of projects to be included in the Investment Priorities Plan.

As recommended by the NEDA secretariat and the Board of Investments and reported by Trade and

Industry Secretary Peter Garrucho, the projects to be approved under the IPP [Investment Priority Plan] should either be export-oriented or deemed as having existing or potential comparative advantage.

These industries, Mr Garrucho said, include those that manufacture goods with strong potentials in the world market, among them processed food, wood products, textile products, leather products, marine and aquaculture commodities, ceramics, gifts, toys, housewares, computer services, semiconductors, and electronics.

Also included are industries that increase local content, those that process the primary products of the agricultural and mining sectors, and those that lay the groundwork for industries that produce capital goods.

NPA, NDF Warn Government on Mt. Apo Project

*HK2506105191 Davao City PEOPLE'S DAILY
FORUM in English 19 Jun 91 pp 1, 19*

[Text] The National Democratic Front (NDF) and the New People's Army (NPA) recently warned the government and "those directly involved" in the construction and operation of the geothermal project in Mt. Apo that they will do everything to oppose its establishment.

In a statement dated June 7, 1991 and received by the Mirror yesterday, the NDF/NPA said the geothermal poses a "grave threat" to the lives and livelihood of the people within Mt. Apo area. They said the geothermal plant will also cause havoc to the "fragile ecological balance."

The NDF said the government has finally "bared" its real intention when it announced its decision to push through with the construction of the Mt. Apo geothermal plant despite the opposition of the people directly affected by the project.

"Time and again, the people of North Cotabato, Davao del Sur and Davao City have expressed their opposition to the establishment of the plant. But, time and again also, the reactionary Aquino regime went through the sham motions of consulting the people, if only to lure them into believing that their voices will be heard. But true to its form, the cacique listens and looks only after the interest of its kind," the NDF statement said.

They said the tribal communities dependent on Mt. Apo for their subsistence will be displaced, with their culture becoming extinct. Farmers' crops and people's properties will also be damaged by acid precipitation from sulfur oxides emitted into the atmosphere by the underground wells of the plant, NDF said.

"And who stands to gain from this destruction? Not the Filipino people of course, but the foreign big businesses and the handful Filipino big comprador capitalists," NDF said.

The NDF/NPA warned the government and those "directly involved in the construction and operation of

the geothermal plant, that the "movement stands four-square behind the people in their opposition" to the project.

"As revolutionaries, we cannot just stand back and watch our people being mercilessly denied by the puppet Aquino regime of their source of survival. We will oppose with all our strength and the resources available to us, including the use of armed force, to stop any and all attempts to construct the hated Mt. Apo Geothermal Plant.

The statement was signed by Remy de la Paz of the NDF-North Cotabato, Herminio Alfonso Command of the NPA-Mt. Apo and Antonio Cayetano Command, Front 53-North Cotabato.

Rebel Threat to Plant Discounted

HK2606044591 Davao City THE MINDANAO DAILY MIRROR in English 21 Jun 91 pp 1, 17

[Text] The published threat of the NDF/NPA [National Democratic Front/New People's Army] that they will "bomb" the proposed geothermal plant in Mt. Apo is an amusing propaganda ploy.

This was the assessment made by authorities here following the so-called warning by communist leaders in Davao del Sur and North Cotabato. "The communists are thinking that they can intimidate everyone with their violent tactics. They are amusing," Menardo Wenceslao, head of the Anti Violence Advocates (AVA) said in a statement.

"The criminals think they can threaten everyone by resorting to jungle tactics to push for their objectives. This is an example of how a small group of bandits try to impose their views by resorting to violence against those who disagree with them, AVA said. "This is a jungle mentality that has no place in a civilized society," Wenceslao added.

The geothermal plant will be a boon to the people in Mindanao as it will provide the needed electricity at lower costs to all the citizenry, it was pointed out. The communists, through their acts have been opposed to development for selfish reasons as they fear that when government projects and progress reach the people even in the hinterlands, the communists lose the support of the masses whom they have been manipulating and intimidating for sometime," the statement added.

"We should not allow those criminals and murderers to continue threatening us. We will fight them so we can cleanse our society of such scoundrels," Wenceslao said.

The geothermal plant in Mt. Apo had been delayed due to some objections from groups which claimed that the plant will destroy the environment. The Dept. of Environment and Natural Resources has given the go signal to proceed with the project and a fund will be put up to finance any conservation effort to prevent the spoilage of

the environment when the plant operates. With a geothermal plant, industries will be attracted to Mindanao and the economy will spurt bringing benefits to the citizenry as a whole.

Shortage of NPA Operational Funds 'Revealed'

HK2506110791 Davao City PEOPLE'S DAILY FORUM in English 20 Jun 91 p 4

[Text] Butuan City—A leading cadre of the Mindanao Commission of the CPP/NPA [Communist Party of the Philippines/New People's Army] captured in Butuan city last March 14 by government operatives revealed that the CPP/NPA in Mindanao are suffering from shortage of operating funds to support the revolutionary activities of both their legal and underground apparatus covering the three main forms of struggle: armed struggle by the NPA; ideological struggle by the CPP; and the political struggle by the NDF [National Democratic Front].

Manuel Luis Tejada alias Mario/Mayo, during his arrest, was a member of the Executive Committee of the CPP/NPA Mindanao Commission, the highest territorial policy making body. He revealed he was enroute to attend a Mindanao Finance Consultation conference of the various CPP/NPA organs throughout Mindanao held somewhere in Davao city during the Araw ng Dabaw festivities.

Tejada further revealed that the revolutionaries in Mindanao presently depend dominantly from the ample contribution of the labor bureaus for fund support. However, the contribution of the labor sector is not sufficient to keep all the activities of the Party going. Hence, Tejada said, the Mindanao Commission through its territorial and functional organs throughout Mindanao will be engaging in all forms of financial generation activities even if illegal such as selected robberies, kidnapping, illegal logging, and even gold buying operations in the gold rush areas.

As revealed, the Party will increase the rate of their progressive taxation of Trans-National Companies and other national bourgeoisie owned agri-business and industrial companies.

When asked why their consultation conferences are held in Davao city, Tejada said that the present legal fronts and institutions of the CPP operating here can provide them suitable cover and disguises.

Tejada also said that Party members can hide under the shadows of their "well placed friends" in Davao city, who can also provide them with facilities, funds and legal personnel.

Tejada further revealed that another form of fund generation activity which the CPP will undertake is the solicitation of large sum contributions from political personalities who are interested in cornering the "left votes" in the countryside and in exchange for the concessions for free access in NPA influenced barangays in the

hinterlands this coming campaign period. With this leverage, however, is the agreement that the Party will be given slots in the selection of appointees for the co-terminus political positions after the local elections.

Overall Situation in Mindanao Said Improving

HK2406030691 Manila MANILA BULLETIN
in English 24 Jun 91 p 6

[Text] Mawabi, Davao Del Norte—The peace and order situation in the Davao provinces and Central Mindanao has significantly improved as military operations significantly reduced the insurgency problem in the region from 27 percent to three percent in a year's time, Col. Danny Olay, the 602nd brigade commander, told Army chief Maj. Gen. Arturo Enrile in a briefing here yesterday.

Enrile flew to the 6th Infantry Division headed by Brig. Gen. Oswaldo Villanueva in Cotabato City over the weekend to get a personal assessment of the Mindanao insurgency situation and visited troops of the 603rd brigade under Col. Joselin Nazareno and 601st brigade under Col. Ismael Villareal in Gen. Santos City.

Central Mindanao and the Davao provinces have consistently hugged the headlines for the series of kidnapping, burning of passenger buses plying the Davao-Cotabato routes and other terroristic activities perpetrated by Muslim and CPP/NPA rebels.

Olay said about 50 to 60 percent of the remaining CPP/NPA force in three remaining guerrilla units have dispersed to South Cotabato area in a last ditch effort to form a regular front to recoup their losses. Others who remained in the Davao provinces have abandoned fighting and turned to panning gold to sustain their living.

Recently, Olay added about 34 hard core NPA fighters surrendered with high powered firearms and surrender feelers have been coming.

Enrile said Davao has been the hotbed and laboratory of the CPP/NPA in the early 80s.

Nazareno, on the other hand, presented to Enrile 15 NPA rebels led by Larry Embac alias Commander Bartol who earlier surrendered to Lt. Col. Bienvenido Flores of the 39th IB.

Embac and his platoon-size troops which included four women, used to operate in Magpet, North Cotabato, under the Mindanao regional guerrilla unit of Front 53 which according to Nazareno has been practically dissolved.

"We are tired of fighting and the people in the area are no longer supporting us that we experience hunger most of the time," Bartol told Enrile.

"I am very satisfied with the performance of the 6th ID under Brig. Gen. Villanueva. The situation has

improved a lot in terms of weakening the insurgency in the area. The Lambat-Bitag project has been implemented so well in the whole area," Enrile told Bulletin as he noted that during his assignment in South Cotabato, Sultan Kudarat and Davao del Sur as commander of the Southwestern Forces during the early 80s it was the peak of insurgency in the area." [sentence as published]

As proof of the improved peace and order situation, Villanueva told Bulletin that a Japanese industrial firm will soon develop a 30-hectare asparagus plantation and other vegetables in Pagalungan, Maguindanao.

Improvement of Cotabato Situation Seen

HK2406044291 Manila THE CHRONICLE in English
24 Jun 91 p 3

[By Manny Mogato]

[Text] Cotabato City—The business climate here has dramatically improved after the military had succeeded in stopping the kidnap-for-ransom activities of separatist guerrillas in central Mindanao.

Local branches of large commercial and industrial banks have reported sharp increases in deposits and transactions as foreign and domestic investments continued to pour in during the last two months.

"The local economy is rapidly picking up," Brig. Gen. Oswaldo Villanueva, the commander of the Army's 6th Infantry Division, said. "We have regained the confidence of businessmen here because of the much improved peace and order situation."

Villanueva said his troops have not only stopped the series of kidnappings in central Mindanao but have also contained threats from communist and Moro National Liberation Front (MNLF) guerrillas.

He assured businessmen here that the military has been sustaining its operations to neutralize the kidnap-for-ransom groups in the region led by Abogado Mubarak.

About two-thirds of the kidnap-for-ransom gang members have been neutralized. Six were captured and about 30 others were killed in encounters with government forces.

Only Mubarak and the two other lesser gang leaders are still on the loose but have fled to the mountains because of relentless efforts by a combined Army, Marines, and police forces to track them down.

As proof that normalcy has been restored in Cotabato City and in other areas in central Mindanao and Autonomous Region for Muslim Mindanao (ARMM), Villanueva said the city celebrated its 32d founding anniversary last week without any untoward incident.

"It was the most colorful and pompous celebration the city had in almost three decades," Villanueva said as he cited the improved peace and order situation and the "bullish" local economy.

Villanueva said civilian leaders and business community leaders have also met with the military and police commanders in central Mindanao to draw up a community defense plan to prevent guerrillas and kidnap-for-ransom bandits from further harassing and intimidating them.

The last kidnapping incident in the region was reported in April before the Marines were sent in to beef up local security forces.

"No kidnapping incident has been reported since May," Villanueva said. "No communist nor separatist offensives were launched during the summer period. As far as we are concerned, the peace and order problem here has improved."

The improved peace and order situation in the region has attracted foreign and local investors. A Japanese agro-industrial firm has firmed up plans to develop a 30-hectare asparagus plantation and other vegetables at the Pagalungan area in the ARMM.

The Dole Philippines is also planning to expand its pineapple plantation in Maguindanao and North Cotabato provinces while other Manila-based business firms are also interested in developing agro-industrial areas in the region.

For instance, the Philippine Long Distance Telephone (PLDT) would install 3,000 additional lines in the city alone while the geothermal plant in Mount Apo would improve power services in the region.

Filipino-Chinese traders in the city have also pumped in fresh capital to strengthen the city's position as the commercial and financial center in the region.

Three months ago, these Filipino-Chinese businessmen were thinking of moving out to General Santos, Iligan and even Davao City because of the peace and order problems in the city.

Apart from kidnap-for-ransom threats, there were also growing activities by communist and separatist rebels.

Villanueva, however, reported to have contained the two large groups against the government in the region.

For instance, communist rebels' strength and influence had declined from 27% to only 3% from 1990 to June 1991. Separatist activities have also declined that there was a proposal from local Armed Forces commanders here to "downgrade" the MNLF threat as a mere police problem rather than a national security concern.

"We have no problems with the separatist rebels," Col. Joselin Nazareno, the Army brigade commander in North Cotabato, said. "Sometimes, they even fight with each other."

Nazareno said the establishment of the ARMM also contributed to the decline of the Muslim separatist movement in the region.

Thailand

Journalist Awaits Thai Deportation Ruling

BK2506142691 Hong Kong AFP in English 1251 GMT 25 Jun 91

[Excerpts] Bangkok, June 25 (AFP)—The Thai Foreign Ministry will "take action" against an Australian journalist based here for an article saying Thailand was a center of world terrorism, a senior ministry official said Tuesday.

Adisak Phanuphong, director of the Press Division, said the ministry had given Alan Boyd until the end of Thursday to retract his story, published in THE AUSTRALIAN newspaper on May 28.

"We will take action against him early Friday if he doesn't retract his story in that newspaper," Mr. Adisak said.

Reliable ministry sources said the 35-year-old journalist would be declared persona non grata and soon deported. "I stand by my story," Mr. Boyd has said.

Police banned the sale and distribution of THE AUSTRALIAN in Thailand as of Monday, said Lieutenant Colonel Samphan Sethaphon, deputy commander of the Police Department's Special Branch Division.

The authorities here only had their attention drawn to Mr. Boyd's article after a local newspaper attacked THE AUSTRALIAN for publishing it.

The article had cited the United States' warning to its citizens against travelling to Thailand during the Gulf war and the Lauda Air crash late last month. The Lauda Boeing 767 crashed on May 26 in the central province of Suphanburi shortly after it had left the airport here, killing all 223 people aboard the plane.

Thai Embassy officials in Canberra had contacted THE AUSTRALIAN and asked it to publish a correcting story, which the newspaper "refused to do," according to Mr. Adisak.

(However THE AUSTRALIAN denied in an article to be published Wednesday that it had been contacted by any Thai officials to publish a correcting story.) [passage omitted]

Lt. Col. Samphan said Mr. Boyd had now committed mistakes twice in unfairly attacking Thailand and tarnishing its image.

An article published in November 1988 in Hong Kong's SOUTH CHINA SUNDAY MORNING POST, which was jointly written by Mr. Boyd and a Thai journalist, said unnamed Thai Army officers were plotting to overthrow the then-government of Prime Minister Chatchai Chunhawan because it was inefficient and corrupt.

"We will take a severe punishment against Mr. Boyd this time," Lt. Col. Samphan said, adding that the final decision to deport him now rested with the Thai Foreign Ministry. He said concerned police authorities were waiting to see what action the ministry would take against the journalist.

Thailand is one of the few countries in Asia to give full freedom to the foreign and domestic press. The last foreign journalist to be deported from Thailand was Terence White of New Zealand in 1988 after he had illegally crossed the border into Burma to meet with notorious drug warlord Khun Sa.

'Broad Agreement' in Thai-US Textile Talks

BK2606013991 Bangkok THE NATION in English
26 Jun 91 p B1

[Text] Phuket—The Thai-US textile talks made headway yesterday as American negotiators reportedly agreed to put aside their proposal to impose an overall group limit on textile products exported to the American market, a move which the Thai side could not accept.

At the same time, Thai luggage exporters, represented at the meeting by their association president Waisin Kiatchai, also accepted a US proposal to impose specific limits on three luggage items to the US. The compromise resulted in significant progress at the Thai-US textile negotiations, which had dragged on since the previous bilateral agreement expired at the end of 1988.

Officials and industry sources described the meeting yesterday as fruitful because of the give and take by both sides, during the second of three days of talks held at the Cape Phanwa Hotel in Phuket.

The negotiators were able to come up with a broad agreement on how to regulate the bilateral trade in textiles, which comprise fabrics, yarns and luggage.

Industry sources, who were on hand for consultations, said it would be acceptable to have specific limits on 99 percent of the currently traded textile items if the US does not impose export ceilings on items which are not traded now but are of significance and are sensitive to the domestic industry.

Washington, according to Thai sources, wanted to reserve its right to restrict the export of items not at present traded, for fear that a future export surge could hurt its local industry and disrupt the market. American, Thai and private sector representatives did not comment.

In the previous agreement, which expired at the end of 1988, 14 textile categories were subject to specific limits. But this time, the number being negotiated is believed to range between 17 and 20 categories out of a total of 50 textile products.

Phongsak Atsakun, president of the Thai Textile Manufacturers Association, said it would be unacceptable to have the growth of the industry strictly regulated by allowing the US to impose quotas on items not traded at present. He suggested that the US leave open the question of export of non-traded items and set up a consultation mechanism which would function when an increase in the export of some textile products from Thailand posed a threat to its domestic industry.

With the dropping of the group limit on textiles, the talks yesterday were able to deal with the technical aspects of which categories would be designated as subject to specific limits and how large would be the quotas for those products. The volume proposed by the US must be large enough to accommodate the potential of Thai textile exports to the United States, said Thai sources.

A source said that a large quota would be a safeguard in itself because it would allow the Thai side to manage the quotas more flexibly without the risk of being "called" for negotiations to limit the export of those products in case of an export surge and without a bilateral textile agreement.

Although Thai exporters are free to export the goods to the US, they are risking being called for talks if the volume increased "substantially and abruptly" according to the US. This has a potential to disrupt the market and increase delivery risks, Thai exporters have complained.

Under the designated consultative level, the Thai exporters would be rid of their right to manage the quotas by borrowing quotas from unused items or from the previous year or next year. The designated level means that no more export of that product would be allowed into the US. However, according to one exporter, the US was willing to create a large base for textile products, subject to this proposal.

The minimum consultative level means that the US would call for negotiations if the export of certain textile products reached the consultative level which was of concern to Washington. However, the proposal was rejected by Thai exporters, who said the system would effectively block the growth of textile exports.

Thai luggage exporters seem to have accepted the US call for the imposition of specific limits on three categories of luggage exports. The three categories are 369L (cotton luggage), 670L (luggage made of synthetic fibre) and 870 (jute bags).

The US reportedly wanted to limit the export of the three products to nine million kilogrammes, while the Thai side preferred a volume of up to 25 million kilogrammes.

Because of the vast difference in the figures, the two sides agreed to defer the issue for later discussions.

Thailand exports an average of 11-12 million kilograms of bags to the US annually. In terms of value, the exports to the US amount to between 70 and 80 percent of the total export value of Baht 8 billion. An industry source commented that the export of luggage could grow substantially; beyond the present level, given the fact that countries such as Taiwan and Hong Kong export the same luggage with an equivalent value to garments. Thailand exports apparel products worth about Baht 20 billion annually to the US.

Although the export of luggage this year slowed down because the Gulf War deterred people from travelling, exports in the first quarter of this year to the US were in excess of Baht 4 billion. The growth rate is high at about 25 percent a year.

The talks on apparel did not start because both sides had agreed at the previous talks in Washington in April on the number of categories to be subject to specific limits.

Singaporean Prime Minister on Anan Proposals

BK2506151991 Singapore Singapore Broadcasting Corporation in English 1400 GMT 25 Jun 91

[Text] Singapore supports Thailand's proposal in working towards the setting up of an ASEAN Free Trade Area or AFTA. The prime minister, Mr. Goh Chok Tong, said he sees it happening 20 years down the road while his Thai counterpart, Mr. Anan Panyarachun, was giving a 10-year time frame.

Mr. Goh was speaking to reporters at the end of his 2-day official visit to Thailand. Mr. Goh said Thailand has formed a committee comprising several cabinet ministers to work towards setting up the AFTA. In addition to having its own input, the committee will also be sharing ideas with ministers from ASEAN.

Thailand will be putting up a proposal for ASEAN ministers and officials to consider at their economic meeting in September. [Words indistinct] the ASEAN summit is fixed to be held in January next year will have a concrete proposal for economic cooperation.

Mr. Goh said Mr. Anan's main concern was how to use the summit to take ASEAN one step further economically. In his address at the state banquet last night, Mr. Anan had spoken of the gradual integration of the ASEAN economy, leading eventually to a free trade area like that of the North America free trade area.

Mr. Goh said Mr. Anan told him that the specific idea for AFTA will be the reduction of tariff within ASEAN. Member countries should get together to decide on a common tariff. This will be lowered over time. Mr. Goh said he supported the idea. He said that at this stage, the question is how to make ASEAN function more meaningfully as an economic unit. If we succeed in doing this, and countries outside ASEAN such as South Korea,

Hong Kong, and Taiwan, which might want to join ASEAN's economic arrangement, could do so.

Goh Briefs Media, Departs

BK2506150791 Bangkok Army Television Channel 5 in Thai 1230 GMT 25 Jun 91

[Text] Singapore Prime Minister Goh Chok Tong, his wife, and delegation, who were on a visit to Thailand as guests of the Thai Government from 24 June, departed for home after a two-day visit.

At 1500 today, the Singapore prime minister held a news conference to Thai and foreign correspondents before his departure for home. He praised Prime Minister Anan Panyarachun on the latter's ideas regarding economic development to be undertaken together by the ASEAN countries, adding that the upcoming ASEAN summit, tentatively planned for January in Singapore, will amount to another step forward in ASEAN economic development.

The Singapore prime minister said the Phatthaya meeting of the four Cambodian factions represented a successful step towards a negotiated settlement of the Cambodian problem. He said Singapore hopes to see peace restored in Cambodia.

At 1630, the Singapore prime minister and his delegation went to Don Muang Airport to board a flight for home. They were seen off by Phaichit Uathawikun, a minister attached to the prime minister's office, senior Thai foreign ministry officials, and Singapore Embassy officials.

Government Success in Phone Deal Noted

BK2606021691 Bangkok BANGKOK POST in English 26 Jun 91 p 4

[By Banyat Thatsaniyawet]

[Text] If there is any lesson to be learned in the way Prime Minister [PM] Anan Panyarachun and his ministers handled the recent successful negotiations over the 100-billion-baht telephone expansion project, it is that the interim Government can be expected to stay in office until the next general elections.

Despite tremendous pressure over the negotiations, the interim Government stuck to its principles and emerged with considerably increased credibility and respect as far as public perception is concerned.

The results of the talks should also dispel any lingering doubts that Mr Anan is likely to bow to pressure, step down, or that his administration is not likely to hand over power to the next government after the polls.

The fact that the interim Government was able to remain firm on its policy—notably, to prevent monopoly, increase the benefits to be obtained by the Government, and ensure that the public would have

more telephone lines in use—has boosted the public's trust in the Government and strengthened Mr Anan's position.

Fears that the Government would not last its term were not without justification because a serious conflict had emerged between military leaders and the Government over the telephone project.

Mr Anan and his economic ministers, namely Deputy Prime Minister Sano Unakun, PM's Office Minister Dr Phaichit Uathawikun and Communications Minister Nukun Prachuapmo were adamant that they could not let the CP Group retain a monopoly over the telephone expansion project.

Their proposals that the project be divided into two zones in Bangkok and two zones upcountry, and that more benefits be given to the Government, were opposed by Army Commander-in-Chief Gen Suchinda Khraprayun and Army Chief-of-Staff Gen Wirot Saengsanit.

The military top brass argued that the 6,000-million-baht high-tech computer to be acquired by the CP Group would not be cost effective if the project was divided into zones.

If any change were to be made, the military argued, it should be in the contract and not by splitting to project into zones.

The conflict grew steadily, with one general saying that the Army's honour had been questioned. News reports then started to emerge that the conflict stemmed from the fact that Mr Anan was the chairman of the Saha Union Group which had lost out on a project to the CP Group some years ago. This was an apparent attempt to cast doubt in the Prime Minister's neutrality.

Tension spread quickly and was not limited to the political arena. As each meeting appeared to produce inconclusive results, the impact was felt at the Stock Exchange of Thailand (SET).

Before the sixth and final meeting between the Government and the CP Group, many felt that in the end Mr Anan would back down for the sake of the interim administration's survival.

But for those close to the Prime Minister, they were confident he would adhere to principle and do his best. As an interim government, they said, the Anan administration had the golden opportunity to tackle problems which previous administrations could not solve because they either had to look over their shoulder for parliamentary support or the greenlight from the military.

The results of the government strategy are clear:

- The public will be able to have an efficient and fairly-priced telephone service via the instalment of two million telephone lines in Bangkok within five years.
- There will be no legal or practical monopoly.

—The CP Group will not bid for any telephone project upcountry.

—The Government will receive more money. It will receive 30 per cent of the profits if the tax levied on the CP Group ranges between 16 and 20 per cent. If the tax levied is over 20 per cent, the Government will receive 60 per cent of the profits after tax.

—The CP Group must hold 51 per cent of the investment in the project for the first five years and must find a reputable firm to join in the project.

—The investors will shoulder expenses if the Government decides to upgrade the current system. The CP Group must also shoulder the cost of land and buildings connected with the project.

—The Government will ensure a five-year protection period but the CP Group will not be entitled to investment privileges.

—The CP Group will not restrict the Government in its efforts to improve the telephone service.

The Government's strong stance over the CP deal is not the only example of its readiness to bite the bullet when necessary.

Just last week when the military submitted a request to the Cabinet for a supplementary budget amounting to several thousand million baht, the Cabinet slashed it down to about 75 million baht.

When asked about this decision, Budget Bureau Director Bodi Chunnanon simply said: "It is the policy of this government not to focus on arms expenditures." The decision illustrates not only the independence of the interim administration but also its genuine intention to serve the interests of the country.

The decision is also in line with the current global trend that national security can be achieved not only through a total reliance on weapons but also by assuring the well-being of the people and improving their quality of life.

The interim administration has also increased budget allocations for education, public health, export promotion, agriculture, industry and environmental protection.

Political analysts believe, however, that efforts will be made to reinstate the military request during the first reading of the budget in the National Legislative Assembly, which is dominated by the military.

The Cabinet has also shown its independence earlier this year when it slashed the Interior Ministry's proposed budget for a nation wide democracy promotion campaign from 1,000 million baht to about 200 million baht.

The result of the CP talks is something Prime Minister Anan can be proud of. With its strengthened position, it is difficult to imagine the interim administration being shaken, especially when it has gained added immunity in the trust of the public at large.

